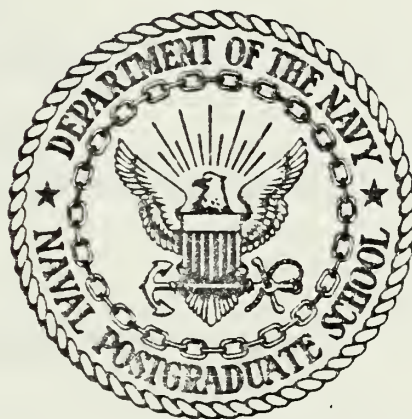


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A STRATEGY FOR REGIONAL STABILITY IN THE 1980'S

by

James R. Caswell

December 1984

Thesis Advisor:

C. A. Buss

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This thesis suggest a reassessment of United States and Southeast Asian policy towards Vietnam and the other Indochinese states. The hypothesis behind this suggestion is simply that the current policies of isolation imposed on Indochina do little to promote stability in the region; drive Indochina further into the Soviet sphere; and do not serve the long range interests of the United States and other nations of the region. It explores the possibility of ASEAN-Indochinese rapprochement, based on encouraging proper interactive behavior by Indochina through linking such behavior to

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To this end, comparative national interests/policies are examined within the context of military, political, and economic interaction in Southeast Asia. Weaknesses and strenths are highlighted and areas for mutual cooperation explored. Options for the future are discussed and an emphasis on internal economic growth is suggested as the soundest path towards stability in Southeast Asia.

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A Strategy for Regional Stability
in the 1980's

by

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Captain, United States Army
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Submitted in partial fulfillment of the
requirements for the degree of

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from the

NAVAL POSTGRADUATE SCHOOL

December 1984

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I. INTRODUCTION

In recent years, the regional balance of power in Southeast Asia has shown increasing polarity and instability. The polar actors represent two aligned camps; the non-communist countries of the Association of Southeast Asian Nations (ASEAN); and the communist countries of the Indochina Bloc.

While this increasing polarity is due in large part to ideological differences, there are other equally significant causal factors. Though polarity in Southeast Asia is often viewed as a simple extension of the superpowers global conflict, it is also a manifestation of traditional regional hostilities. These hostilities stem from philosophical differences and imbalances in local national assets, as well as from the competing interests of regional and extra-regional powers. The resultant regional balance of power is precarious, unstable, and ever threatens to deteriorate into armed conflict.

The unequal distribution of available resources between polar actors is prevalent in each of the military, political, and economic arenas of interactive national interests/policy. Vietnam, leader of the Indochinese Bloc, is strong in the military arena but weak in political and economic interaction. To compensate for their weaknesses, the Vietnamese are prone to deal with the ASEAN states by

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brandishing the sword and threatening military force. Understandably, this is unacceptable to the ASEAN countries.

Conversely, ASEAN is strongest in the economic arena of interaction. Since its founding in 1967, ASEAN has become an economic powerhouse and as a unified entity it exerts considerable influence politically. This has been accomplished while avoiding formal military agreements. Unfortunately, the lack of a formal military arrangement has often emphasised the individual weaknesses of its members, especially true in the face of the rising threat posed by a militarily united Indochinese bloc. Often fearful of Vietnam's military capabilities and intentions, the ASEAN countries attempted to use political and economic means to isolate and neutralize Indochina. Such a containment strategy, however, has only limited utility as the West has come to realize in their own dealings with totalitarian powers. For Vietnam and an Indochina that hungers for economic development, these circumstances are becoming unacceptable as well.

The interests and policies of external powers has also added to the instability of the region over the years. Perceived weaknesses in both the ASEAN and Indochina camps have often been exploited by external actors to serve their goals. China, the Soviet Union, and the United States have all contributed to this instability and have often actively encouraged polarity amongst regional actors.



Bearing in mind the importance of external interests, such interests and policies will be examined only as they directly affect specific regional issues.

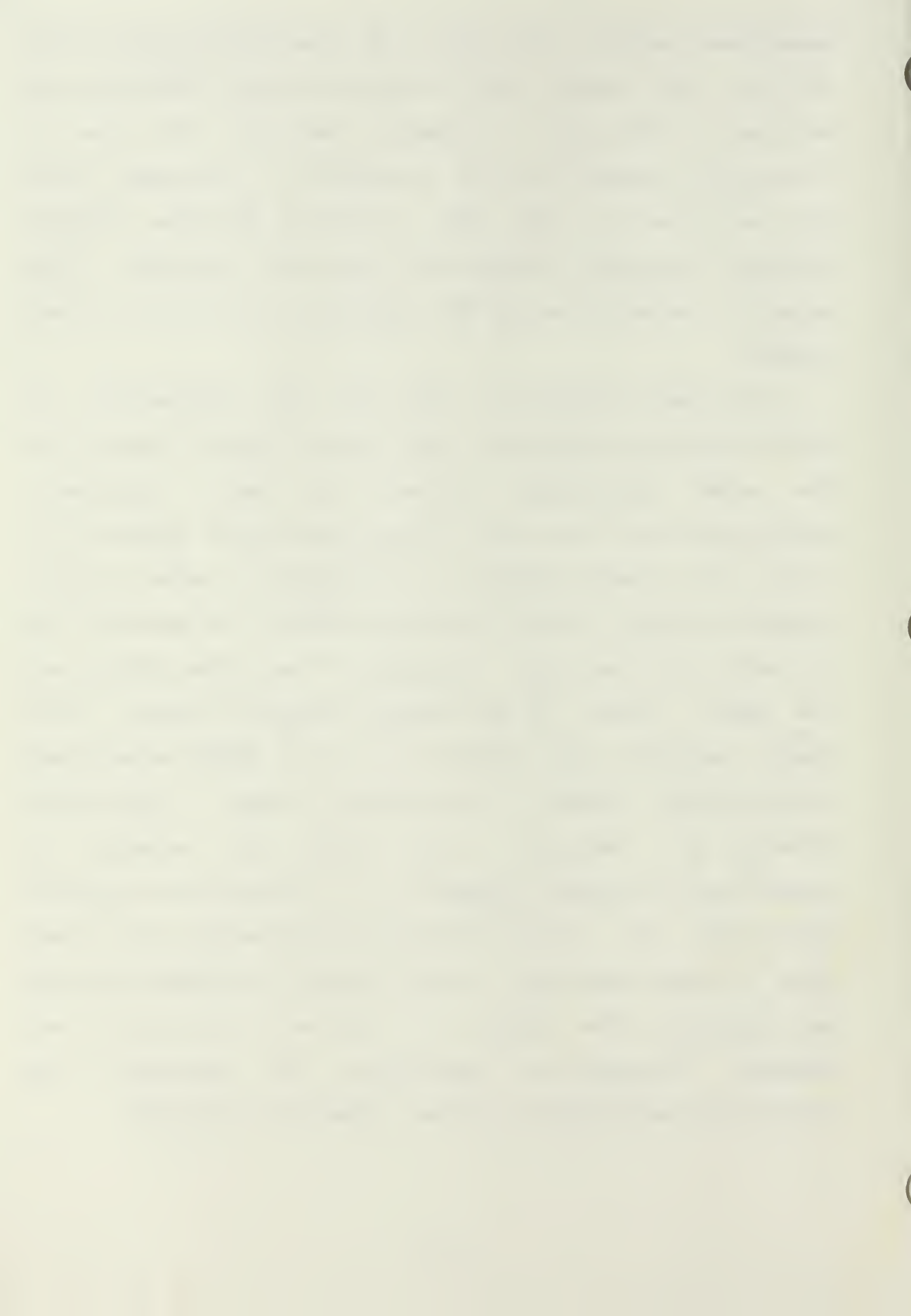
Among the major concerns of ASEAN and the West are uncertainties and apprehensions over Vietnamese and Soviet regional ambitions. Normalization of relations between ASEAN and Indochina has suffered accordingly. While these concerns have been voiced primarily by Thailand (ASEAN's "front line" state), all the ASEAN countries have interests that would be damaged by continued communist expansionism. Thus, since the 1979 Vietnamese invasion and occupation of Kampuchea, Thailand and Singapore have been adamant opponents of any suggestion of normalization with Vietnam and the Indochinese states.

Beyond the modern factors of the polar situation in Southeast Asia, traditional enmity and suspicion between Thailand and Vietnam plays a significant role in current regional tensions. Thai-Viet hatreds have a long history of development through mutual struggles for security, usually pursued at the expense of one another's resources. Therefore, a scrutiny of Thai-Vietnamese relationships is essential to understanding the true nature of the regional confrontation.

Given the historical complexities of the area, the present confrontation is not simply an extension of the

superpower conflict, nor can it be dismissed in simplistic terms as just another local contest between Communism and Democracy. Stripped of external overtones and viewed in historical perspective, the situation in Southeast Asia derives primarily from long standing disputes between competing regional cultures and national interests. This paper will examine the current problems of the area in that context.

This thesis presents a case for the reassessment of United States and Southeast Asian policy towards Vietnam and the other Indochinese states. The basic hypothesis underlying this is that the current policies of isolation do little to promote stability in the region; serve to drive Indochina further into the Soviet Sphere; and generally do not serve the long range interests of the United States and the other nations of the region, including Vietnam. This thesis explores the possibility of an ASEAN-Indochinese rapprochement based on encouraging proper interactive behavior by Indochina, and linking such behavior to incentives of economic prosperity. It postulates that such interaction will lead to healthy interdependency and long term regional stability. Local national interests/policies are examined in the context of military, political, and economic interaction. Weaknesses and strengths are highlighted and areas for mutual cooperation explored.



A. METHODOLOGY.

Chapter I of this paper is a brief discussion of format and procedure, the political climate of the region, and the background of the two groups involved. To accurately assess regional prospects for integration and cooperation, Chapters II, III, and IV compare the national interests and policies within interactive military, political, and economic arenas of the pertinent states. Individual and group goals, methods and achievements are discussed within the fabric of these arenas. These factors are then examined for their impact on the foreign policy positions of the two aligned factions.

Chapter V summarizes some of the more important foreign policy problems of the region, particularly those that sustain the current atmosphere of hostility and hinder efforts towards normalization. Divisions of opinion over security concerns and specific foreign policy issues within the two groups are examined. These positions are subsequently arrayed against the various options for problem resolution. Strategy options are explored at this point for a reduction of local tensions, and for long term regional stability. This is followed by concluding remarks addressing the prospects for peace in the future of Southeast Asia and what this may mean for American interests in the region in the years to come.

B. BACKGROUND.

1. ASEAN's Development.

The Association of Southeast Asian Nations, or ASEAN, was formed in August 1967. This organization was created at a time of political uncertainty over continued American presence in the region and when Vietnam was beginning to show signs of militarily expanding the war in Indochina. In this atmosphere of political instability, the five nations of Thailand, Indonesia, Singapore, Malaysia, and the Philippines united to promote internal security and to strengthen their political and economic hands. The recently independent nation of Brunei became ASEAN's sixth member in January 1984. The primary interests of ASEAN have been to increase the regional political strength and the social and economic development of the membership. The general objectives of the organization are spelled out more completely in the extracts of the Bangkok Declaration of 1967, a copy of which has been included at Appendix A.

The structural organization of ASEAN is very loosely defined. A central Secretariat, located in Jakarta, monitors various ad hoc and permanent committees that conduct the business of the association. There are nine permanent committees including:

"Trade and Tourism; Industry, Minerals and Energy; Food, Agriculture and Forestry; Transportation and



Communications; Finance and banking; Science and Technology; Social Development; Culture and Information; and Budget." [Europa, 1983:121]

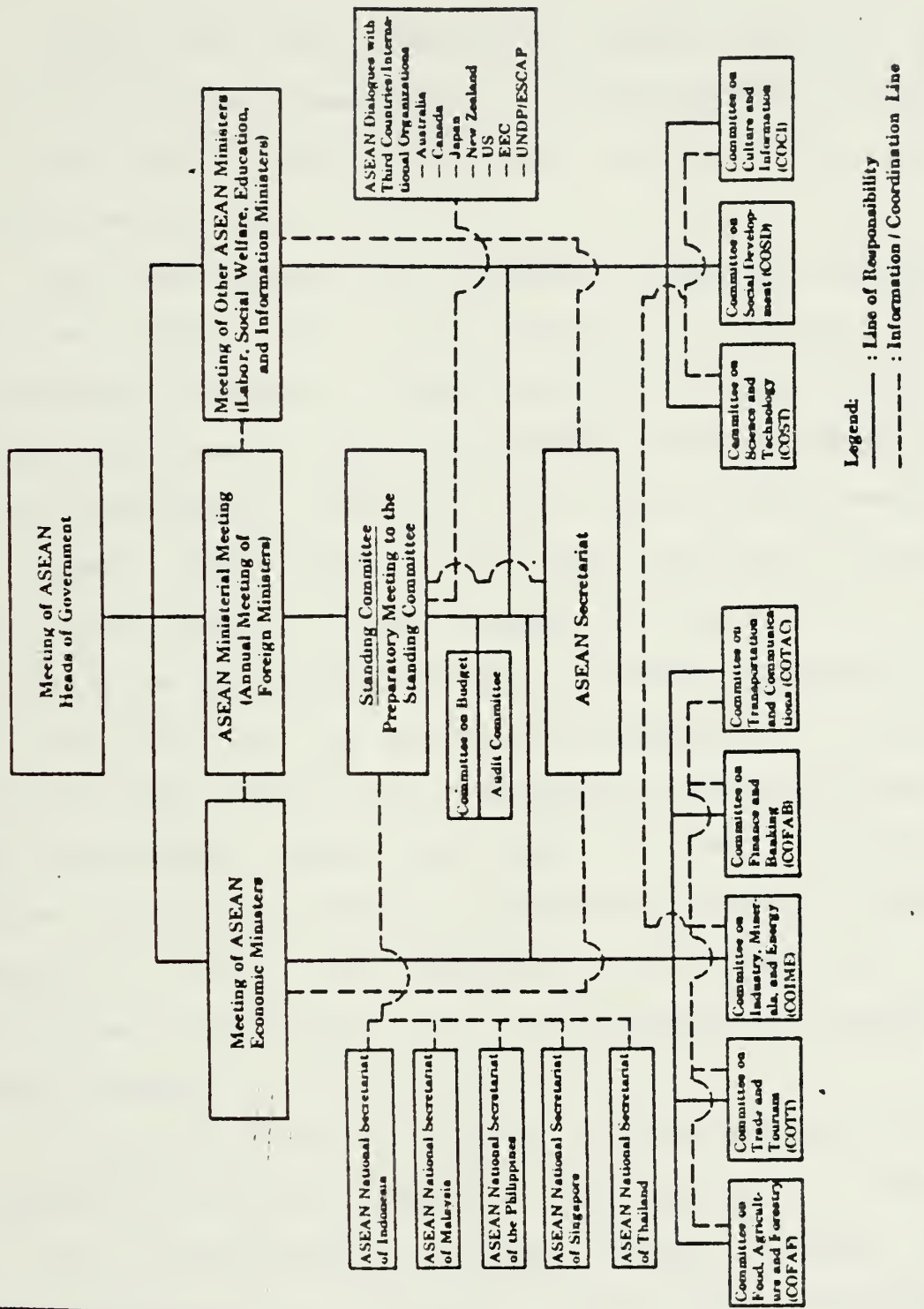
These committees are ultimately responsible for direction to the annual Ministerial Conference, held in a different member country each year. Each committee is headquartered in one or another of the member nation's capitals. These headquarters are rotated through the various capital cities every two to three years. Additional organizations such as working groups and temporary sub-committees are responsible for servicing the permanent committees.

Findings and recommendations of the permanent committees are forwarded to the General Secretariat located in Jakarta. This centrally located body is technically responsible for administrative direction of the separate National Secretariats. Recommendations and directives decided on by the General Secretariat are passed to the Standing Committee and finally to the Foreign Ministers for final approval.

In conjunction with socioeconomic development, ASEAN conducts collective diplomatic actions on certain regional security issues, such as problems with Indochina. This collective action falls short of unified military actions. (other than selective bilaterally conducted exercises) as ASEAN has never been and is not planning to become a military alliance. (See Figure I-1 for ASEAN's Organization)



Organizational Structure of ASEAN



SOURCE: U.S. Department of State, 1983. "ASEAN," background notes. Washington:U.S.Government Printing Office. (November)

Figure I-1 ASEAN Organizational Chart - 1983

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Note that the preceding diagram reflects the organization of the Association of Southeast Asian Nations as it was in 1983. Since then, Brunei has been added to the National Secretariats.

Not surprisingly, it is ASEAN's diplomatic activity that has gained much of the notoriety it enjoys in the international community. While working to reduce regional tensions and promote stability, ASEAN has promulgated some rather controversial policies. The first of these was the Kuala Lumpur Declaration of 1971 which declared Southeast Asia to be a "Zone of Peace, Freedom, and Neutrality." In specific terms this meant, "regional freedom and neutrality, free from any form or manner of interference by outside powers." [Wilson, 1975:28-32] Subsequent interpretations of this pronouncement varied not only in the viewpoints of outsiders but also in those of individual members of ASEAN. Needless to say, the practical enforcement of this declaration is infeasible, nor is it expected to change in the near future.

Two more ASEAN declarations were forthcoming hard on the heels of the U.S. withdrawal from Vietnam. In 1976 at the first summit meeting of ASEAN heads of state, the association signed the Treaty of Amity and Co-operation providing for the:



"...principles of mutual respect for the independence and sovereignty of all nations: noninterference in the internal affairs of one another; settlement of disputes by peaceful means: and effective co-operation among the five countries." [Europa, 1983:121]

The other document signed at this meeting was the Declaration of Concord. This paper provided guidelines for:

"...action in economic, social and cultural relations. This includes cooperation in the pursuit of political stability in the region; the members would give priority to the supply of one another's needs for commodities, particularly food and energy, in any emergency; and the provision for forming industrial projects in common." [ibid.,:122]

Additional agreement was reached on the need for a long term preferential trade arrangement among member states. It was also recognized that the first priority for ASEAN in 1976 was to develop joint action for trading in the international market.

These events mark the advent of serious economic co-operation and diplomatic interaction on the part of the ASEAN nations. A survey of the organization's operations since 1967 (See Appendix B) shows 1975-76 as the real take-off point in ASEAN activities.

2. Indochina's Evolution.

Any discussion of the Indochina subregion consisting of Vietnam, Kampuchea (or Cambodia) and Laos must address the clear domination of this bloc by Vietnam, both militarily and politically. Secondly, there is ample



historical precedence for Indochina's regional differentiation and for its domination by Vietnamese Hanoi.

Hanoi's domination was established as early as the mid-1800s by the French. French colonial administration of the Indochinese Federation was based on centralized control, with the seat of that government located at Hanoi in the former Viet province of Tongking. Furthermore, the superior industry and adaptability of the Tongking Vietnamese led the French to use them at various levels of the colonial administration throughout Indochina, which included many low level government positions.[Cady, 1964:431-556] This situation continued basically unchanged through the Japanese occupation of World War II, and ended only recently with the eviction of the French and the Geneva Agreement of 1954. The Union of Indochina existed, therefore, as a distinct political and economic entity under essentially French-Vietnamese domination for approximately 100 years. Considering that the current period of Vietnamese "protectionism" was formalized in 1978-79, Vietnamese control of Indochina has only been lacking 25 years of the last century and a half.

The ideological/legal basis of the current alignment of Indochina goes back to 1930 with the founding of the Indochinese Communist Party (ICP) under the direction of Nguyen Ai-Quoc, better known as Ho Chi Minh. This

organization was the first formalized political movement created for the express purpose of liberating the whole of colonial French Indochina. Indochinese Communist Party operations covered Laos and Cambodia as well as Vietnam, though its membership was composed almost entirely of Vietnamese. Ostensibly the ICP was dissolved in 1945, breaking into separate parties for each of the three countries of Indochina. The leadership of all three parties, however, remained in the hands of the Vietnamese.[van der Kroef, 1980:40-47] Current evidence suggests that tight Vietnamese control of the Communist Parties of Cambodia and Laos has been maintained over the years. The annual summit meetings of the Indochina Foreign Ministers are used as a forum to reinforce the unity of Indochina in terms of Vietnamese dominance, the ICP, and Ho Chi Minh's legacy of a "special solidarity among three peoples." [JPRS, (5 January) 1983:49-58]

From this basis alone, it is clear that Vietnamese perceptions of their role in Indochinese affairs are influenced by historical considerations, as well as by ideological and national security interests. Legalization of these interests between the three governments takes the form of special agreements and Treaties of Friendship and Co-operation based on the Soviet example.

Appendix B is a chronological summary of major developments in Vietnam, Laos and Kampuchea covering their



transformation into the present unified Indochina. While this federation actually dates from about 1978, the Indochina chronology begins in 1967 to correspond with the period of ASEAN's development.

C. THE THREE ARENAS.

To appreciate the present confrontation in Southeast Asia, an in-depth comparison and assessment of the three arenas of national interests/policies of interaction between the two camps is critical. Military, political and economic interaction are therefore the subjects of the following chapters, and individual country positions on particular issues are discussed only as they differ from the group consensus. While not all the issues presented are delineated along strictly bipolar lines (notably the lack of a formal military alliance among the ASEAN membership) the potential for unified action within each arena of interests is great enough to warrant comparison. Comparisons of national interests will be made from a bipolar, ASEAN-Indochina orientation.



II. THE MILITARY ARENA

The lack of balance in the military arena of interactive national interests is probably the largest contributing factor to the present climate of instability in Southeast Asia. Backed by the Soviet Union, Vietnam has conducted an unprecedented arms build-up in recent years that has reached alarming proportions. The size of this growing force when combined with the communist philosophy of its owners poses a potential military threat to all of the other countries in the area. This chapter examines the comparative imbalance of military relations in the region between the communist and non-communist nations, Hanoi's military intentions and capabilities, and the ASEAN country's strategy for dealing with the Vietnamese threat.

A. THE REGIONAL MILITARY IMBALANCE.

Vietnam's quest for independence and security over the last three hundred years has characteristically been a struggle against more powerful and aggressive external forces. China, Japan, France, and America have all attempted to conquer and occupy Vietnamese territory at some point in the modern era. To combat these periodic external threats, Vietnam has endeavored to build an armed force that is capable of large scale defense. Ironically, while ostensibly defensively motivated, these efforts have resulted in a war machine that rivals those of the

superpowers. With close to a million and a half men under arms, the People's Army of Vietnam (PAVN) is the third largest military force in the world.[Pike,(4-6 August) 1982:1] Unfortunately for the rest of Southeast Asia, Vietnam's purported defensive intentions have often been exhibited in the form of offensive actions. The occupation of Laos by 1978, and the invasion and occupation of Kampuchea in 1979 are two of the more visible examples of Vietnamese ambitions. It is these circumstances, and the threat of even more ambitious operations to come that has resulted in the atmosphere of tense uncertainty in Southeast Asia today.

In contrast to Vietnamese motivations for their force structure, the other states of the region have mostly been concerned with internal security problems during the years since World War II. They have therefore planned and constructed their armed forces accordingly. Most of the ASEAN country's military establishments are founded on paramilitary lines. They are often poorly organized, lightly armed, and only marginally trained for conventional war tasks. Vietnam, on the other hand, is rapidly perfecting its military structure and is advancing far beyond the ASEAN countries on almost every level of organization, equipment, and training. Vietnam has evolved through conventional combat with the South, the invasion of



Kampuchea. and the war with China past the guerrilla warfare level. Soviet arms transfers and the massive input of captured South Vietnamese weapons has made Vietnam a heavily armored, highly mobile, conventional military force.

Additionally, the ASEAN countries have been prone to focus their attention less on military matters and more on the day-to-day affairs of the political and economic world. ASEAN armed forces have traditionally been run by men who are politicians first and military officers second. While this may be changing due to the increasing threat of external military pressures, it will be a slow process and one which the current leadership of the ASEAN forces may be unwilling to undergo. Time, events and perhaps a new generation of leadership may be the only way for these governments to change.

A critical element of comparative capabilities is command and control. Analyzing the two camps, it is clear that Hanoi commands all the forces of Indochina through centralized channels. ASEAN, on the other hand, is not a military organization and has no mechanisms for exercising centralized control of its diverse national services. Even in the event of regional security emergencies it is doubtful that the ASEAN countries could create an effective body for unified command and control.

Illustrating the vast military divergence between Vietnam/Indochina and the ASEAN camps. Table II-I is a



summary of the military forces of the region. Figures shown are current to June 1984, and reflect the most accurate numbers available from a diverse variety of sources.

TABLE II-I
REGIONAL MILITARY BALANCE

	Total Armed Forces	Army*		Air Force*		Navy*	
		Men	Tanks	Men	Planes	Men	Ships
<u>INDOCHINA</u>							
Vietnam	1,220,500	1,200,000	2,500	15,000	671	8,000	192
Laos	53,000	50,000	25	2,000	100	1,000	0
Kampuchea	25,000**	---	---	---	---	---	0
<u>ASEAN</u>							
Thailand	235,300	160,000	861	43,100	218	32,200	97
Malaysia	99,700	80,000	161	11,000	42	8,700	49
Singapore	55,500	45,000	410	6,000	147	4,500	37
Indonesia	281,000	210,000	533	29,000	94	42,000	107
Philippine	112,800	70,000	162	16,800	164	28,000	147
Brunei	3,650	3,650	0	---	2	---	9

SOURCES: The Military Balance 1983-1984, 1983. London: The International Institute for Strategic Studies: 91-102; Far Eastern Economic Review 1983 Yearbook, 1983. Hongkong: Far Eastern Economic Review: 22-33.

* Equipment figures do not necessarily reflect operational readiness.

**Exact organization and composition of Kampuchean forces is unknown.



Armed forces totals shown for Kampuchea are only those of the Vietnamese backed, Heng Samrin regime. A further breakdown of these forces is unavailable. While not included in Table II-I, Kampuchean exile forces probably account for an additional 40-60,000 men under arms in and on the borders of Kampuchea and Thailand.

Figure II-1 graphically illustrates the disproportionate size of Vietnam's armed forces in terms of manpower alone compared to those of its neighbors. Again, Kampuchean exile forces are not included in the totals shown.

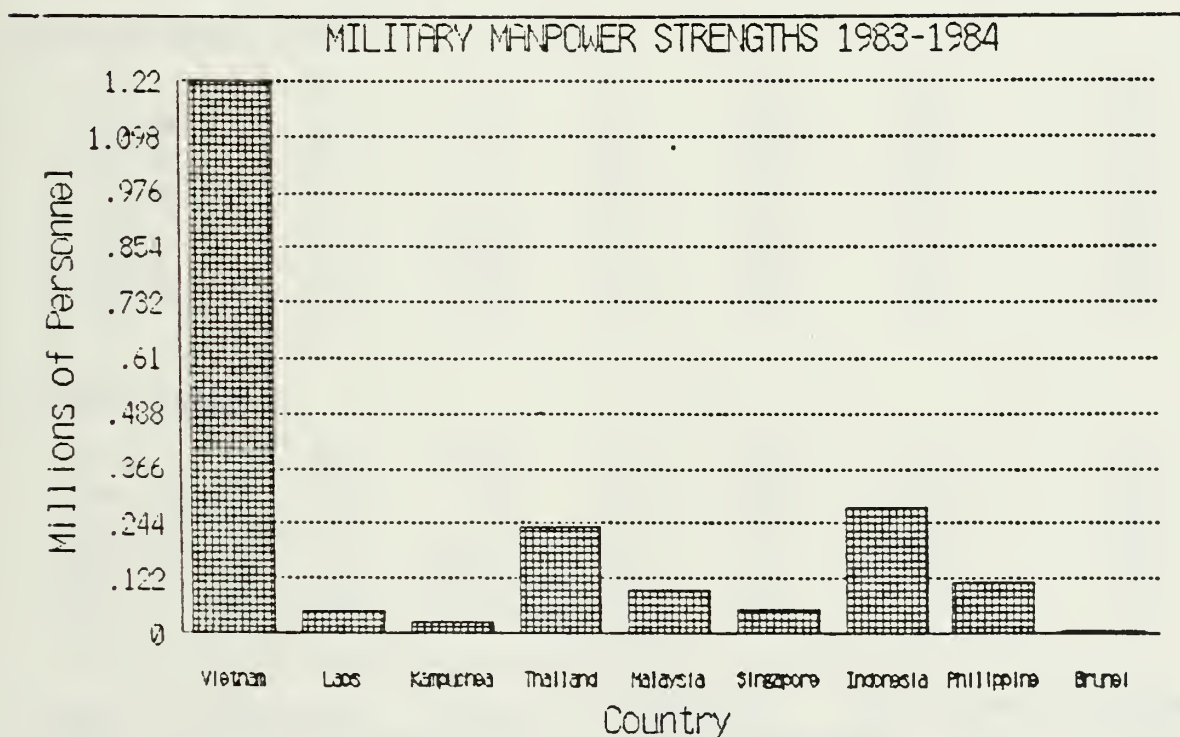


Figure II-1 Manpower, Regional Armed Forces

The first part of the report discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the success of any business and for the protection of the interests of all parties involved. The report then goes on to describe the various methods that can be used to collect and analyze data, and to provide a detailed account of the results of the study.

The second part of the report focuses on the analysis of the data collected. It discusses the various statistical methods that were used to analyze the data, and provides a detailed account of the results of the analysis. The report then goes on to discuss the implications of the results, and to provide a detailed account of the conclusions that were drawn from the study.

The third part of the report discusses the various methods that can be used to collect and analyze data, and to provide a detailed account of the results of the study. The report then goes on to discuss the implications of the results, and to provide a detailed account of the conclusions that were drawn from the study.



While a total inventory of ASEAN-Indochina arsenals is listed in Appendix C, a comparison of the major weapon systems of the region is presented here.

Beginning with tanks as the most significant ground combat system, Table II-II shows the types, country of origin, and performance statistics of all regional tanks.

TABLE II-II
TANKS OF SOUTHEAST ASIA

Model	Country of Origin	In Service With	Max. Speed (km/hr)	Max. Range (km)	Main Armament (mm)	Year Produced
<u>Main Battle Tanks</u>						
T-62	UR	VN	50	650	115	1961
T-54/55	UR	VN	50	600	100	1947
T-34/85	UR	VN	55	300	85	1943
Type 59	CH	VN	50	600	100	1947
M-60A1	US	TH/SG/VN	48	500	105	1959
M-48A2	US	TH/VN	48	258	90	1951
M-48A5	US	TH	48	499	105	1975
M-47	US	TH/VN	58	130	90	1953
<u>Light Tanks</u>						
PT-76	UR	VN/ID	44	260	76	1952
Type 62	CH	VN	60	500	85	----
Type 63	CH	VN	50	240	85	1963
AMX-13	FR	SG/ID	60	400	75/90	1953
M-41	US	TH/PI/VN	44	100	76	1949
M-24	US	TH/PI/VN	55	281	75	1944

Note: UR=Soviet Union; CH=China; US=United States; FR=France; TH=Thailand; ID=Indonesia; SG=Singapore; PI=Philippines; VN=Vietnam.

SOURCES: Jane's Armour and Artillery 1983-84, 1983. London: Jane's Publishing Company Ltd.; Tom Gervasi, Arsenal of Democracy II, 1981. New York: Grove press.



Entries under "In Service With" indicate the one-time availability of a particular weapon, not necessarily the present operational status of the equipment.

A quick comparison of tank holdings and diversity of types shows that Vietnam holds a significant advantage in both firepower and mobility. What is not reflected in Tables II-I and II-II, is that U.S. M-60 and M-48 series tanks are qualitatively better systems for modern armored warfare. While the Soviet made tanks have consistently better mobility over longer traveling ranges, the main weapon on U.S. built tanks is more accurate and more effective at longer gun ranges. In prepared defensive positions, the M-60 and M-48 tanks can achieve impressive first-round kills at a range of over 2,000 meters. [USACGSC, 1980:5-14] Nevertheless, ASEAN's qualitative gun advantage in combat would most probably be overcome by the sheer quantity of Indochina's stocks. With the current ratio of armored forces along the Thai-Kampuchean border, defending Thai forces could expect an attacking tank ratio of at least ten to one against them. Reinforcements from other ASEAN states, should they be available, would not change this ratio significantly.

A graphic representation of Vietnamese tank holdings in comparison with its ASEAN neighbors is shown in Figure II-2.



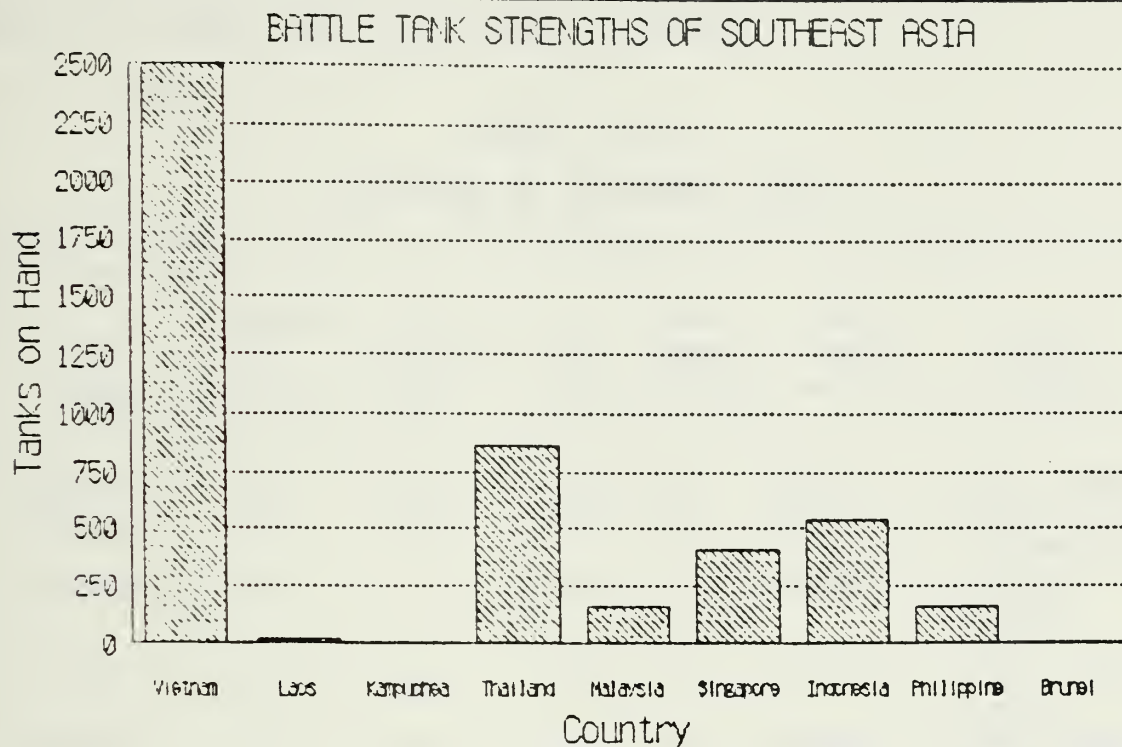


Figure II-2 Battle Tanks

Turning to the sea based weapon systems of the region, significant naval craft of both these camps are illustrated in Tables II-III and II-IV. While these tables do not include all the different ship types of the region, they do show the major lot. The largest combat vessel of the nations of Southeast Asia is the Frigate, and/or Corvette Class. Although new ships are entering the inventories of many of the countries, none appear to be advancing beyond the Frigate Class platform. This circumstance can be expected to remain the regional standard for the rest of this century. TABLE II-III shows the nomenclature, country

of origin/service, and pertinent performance statistics of many of these key naval weapon systems.

TABLE II-III
FRIGATES OF SOUTHEAST ASIA

Ship Class	Country of Origin	In Service With	Tonnage	Max. Speed (knots)	Max. Range (mi/kts)	Main Armament
PETYA II	UR	VN	950	32	4,870/10	4x3in 76mm
YARROW	UK	TH/MY	1,290	26	6,000/16	2x4.5in Mk 8 2x40mm Bofor
MERMAID	UK	MY	2,300	24	4,800/15	1x100mm 4x30mm 2x40mm
PF 103	US	TH	864	20	2,400/12	2x3in 76mm 2x40mm
CANNON	US	TH/PI	1,240	19	9,000/12	2x3in 76mm 6x40mm
TACOMA	US	TH	1,430	18	7,200/12	3x3in 76mm 4x40mm
BARNEGAT	US	PI/VN	1,766	18	9,000/12	1x5in 127mm
SAVAGE	US	PI/VN	1,590	19	9,000/12	2x3 in 76mm 2x30mm
CLAUD JONES	US	ID	1,450	22	7,000/12	1x3in 76mm 2x37mm
FATAHILLAH	NE	ID	1,160	30	4,250/16	1x120mm 1x40mm 4xEXOCET SSM
PATTIMURA	IT	ID	950	22	2,400/18	2x3in 85mm 4x25mm
FS 1500	GE	MY	1,500	27	5,000/18	1x100mm

Note: UR=Soviet Union; UK=United Kingdom; US=United States; NE=Netherlands; IT=Italy; GE=Germany; VN=Vietnam; TH=Thailand; MY=Malaysia; PI=Philippines; ID=Indonesia.
SOURCES: Jane's Fighting Ships 1983-84, 1983. London: Jane's Publishing Co. Ltd.; Jean Labayle Couhat, ed., Combat Fleets of the World 1982/83, 1982. Annapolis: Naval Institute Press.

As can be readily seen under the "Country of Origin" column, Soviet supply of major surface vessels to the region has been negligible. U.S. and western shipping manufacturers clearly lead the arms trade in naval vessels for Southeast Asia. Because of this situation, Vietnam's naval inventory has been degraded by the limitations of its Soviet source of supply. Moscow's response to Hanoi's seagoing security needs has been poor but with access to western equipment both politically and economically out of the question, Vietnam must rely on the Russians for what little support they can get. The result is that Vietnam's surface fleet is aging and is capable of only limited offshore duties. In sharp contrast, the individual countries of ASEAN have growing naval arms with capabilities verging on that of some "blue water" navies.

Tables II-III and II-IV show that ASEAN states have acquired new vessels with larger deck guns, and significantly improved anti-shipping capabilities as opposed to the lesser capabilities of Vietnam's older ships. While all of the navies of Southeast Asia were primarily designed for coastal security missions in the past, the increasing development of off-shore economic zones appears to be changing the direction of naval requirements for the future. Illustrative of this future trend, other significant naval combat craft of over 100 tons in the Fast Attack Class are shown in Table II-IV.

TABLE II-IV
FAST ATTACK NAVAL CRAFT

Ship Class	Country of Origin	In Service With	Ton- nage	Max. Speed (knots)	Max. Range (mi/kts)	Main Armament
SHERSHEN	UR	VN	180	45	850/30	4x30mm 4-Torpedos
OSA II	UR	VN	210	36	800/30	4x30mm 4-STYX
PERDANA	FR	MY	234	37	800/25	1x57mm 1x40mm 2xEXOCET
RATCHARIT	IT	TH	235	36	2,000/15	1x76mm 1x40mm 4xEXOCET
SPICA-M	SW	MY	240	38	1,850/14	1x57mm 1x40mm 4xEXOCET
PSMM	SK	ID/PI	120	35	2,000/17	2x30mm 2xEXOCET
FPB 57	SG	SG	410	38	1,300/30	1x76mm 2x40mm
WASPADA	SG	BR	150	32	1,200/14	2x30mm 2xEXOCET
PRABRARAPAK	SG	TH	224	41	2,000/12	1x57mm 1x40mm 5xGABRIEL
TNC/FPB 45	SG	SG	225	38	2,000/12	1x57mm 1x40mm 5xGABRIEL
Type A/B	SG	SG	100	32	1,300/30	1x40mm 2x20mm

Note: UR=Soviet Union; FR=France; IT=Italy; SW=Sweden; SK=South Korea; SG=Singapore; VN=Vietnam; MY=Malaysia; TH=Thailand; ID=Indonesia; PI=Philippines; BR=Brunei.
SOURCES: Jane's Fighting Ships 1983-84, 1983. London: Jane's Publishing Co. Ltd.; Jean Labayle Couhat, ed., Combat Fleets of the World 1982/83, 1982. Annapolis: Naval Institute Press.

Note that naval craft with EXOCET/GABRIEL weapons are all newer vessels, many of which are products of "state of the art" technology and design. These ships are vastly superior to older vessels armed with STYX and torpedoes.

This graphic display of regional naval strengths illustrates the closer balance of power that exists between the two camps in naval forces. The totals indicated in Figure II-3 includes all significant combat craft afloat.

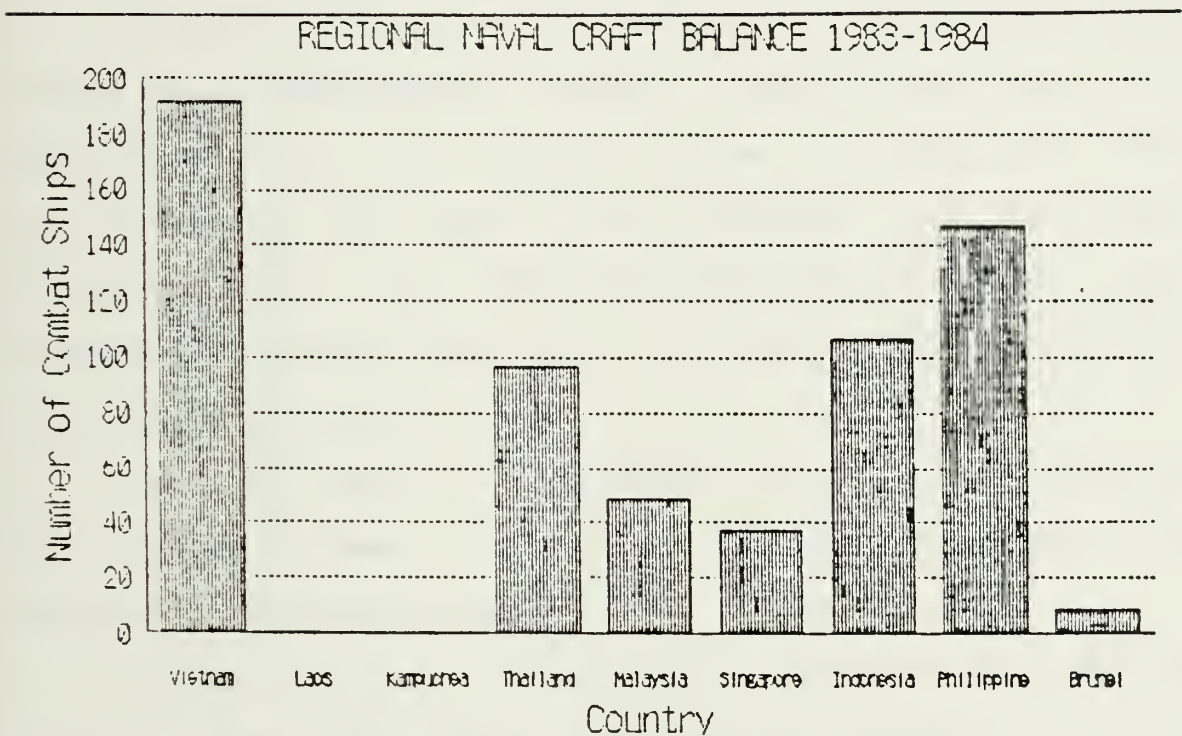


Figure II-3 Regional Naval Balance

As this comparison shows, naval power is the one area in which the combined strengths of the ASEAN states overshadows that of Vietnam. Additionally, the general quality of ASEAN equipment both in terms of technology and maintenance far

outstrips what Hanoi can float. Only a small portion of Vietnam's naval force are fit for sea duty. This is due in part to its lack of disciplined maintenance and the paucity of spare parts. The Vietnamese Navy also suffers from the lack of fuel stocks necessary for regular deep water exercises. The combination of these factors has severely degraded the overall combat readiness and operational capabilities of Hanoi's naval force. [Jane's Fighting Ships, 1983-84]

Vietnamese deficiencies aside, the lack of military unity among ASEAN members tends to neutralize their naval advantage. Thus, the regional balance of power in naval forces remains at rough parity between the two camps. However, should the ASEAN countries decide to pool their resources at some future date, the naval balance could swing decisively into their court.

Combat air power in Southeast Asia is the last area of weapon systems critical to an understanding of the regional military imbalance.

Vietnam is clearly attempting to improve not only the size of its air fleet but also the sophistication and operational capability of its air force. Soviet deliveries of sophisticated new aircraft since at least 1980 include MIG-23BN/FLOGGER E; MIG-21MF/FISHBED J; and SU-20/FITTER C multipurpose fighter aircraft. [Jacobs, (September) 1982:49]

Additionally, indications that Hanoi is attempting to develop the means to project their power over a longer range include the fact that Soviet advisors may be training Vietnamese pilots to fly TU-16 BADGERS on reconnaissance missions over the South China Sea.[Pike, (April) 1983:33-39]

ASEAN countries are likewise attempting to upgrade their respective air forces. This effort has been progressing slowly, however, due to budgetary constraints and the sometimes reluctant participation of western arms suppliers. A case in point is the recent difficulty that Thailand has had in obtaining the U.S.-made F-16 fighter to modernize its air force.

Thus, the ASEAN states are somewhat behind Vietnam in acquiring new air frames and the latest air weaponry. The aging ASEAN air forces and the limited numbers of aircraft operationally available downgrades their situation considerably. In an actual combat environment, Vietnam could probably maintain a local air superiority ratio of at least 2 to 1 over any regional opponent. As there are no signs of any significant change to this situation in the near future, the present imbalance of air forces can also be expected to continue for some time to come.

TABLE II-V shows the major high performance combat aircraft of Southeast Asia. This table is inclusive of all of the jet capable combat aircraft of the region.

TABLE II-V
COMBAT AIRCRAFT OF SOUTHEAST ASIA

Aircraft Model	Type	Country of Origin	In Service With	Max. Level Speed (km/hr)	Combat Radius (Hi-Lo-Hi) (nm)	Typical Combat Load
MIG-17	Ftr	UR	VN	1,125	350	3x23mm Cannons 2x250 kg Bombs
MIG-19	Ftr/Int	UR	VN	1,452	685	3x30mm Cannons 2x250 kg Bombs
MIG-21	Ftr/Bmr	UR	VN	2,230	200-400	1x23mm Cannons 2xATOLLS 2x500 kg Bombs
SU-7B	Grd/Atk	UR	VN	1,700	135-187	2x30mm Cannons 2x500 kg Bombs 2x750 kg Bombs
SU-20	Grd/Atk	UR	VN	2,170	340	2x30mm Cannons 2x500 kg Bombs
MIG-23 BN	Ftr/Bmr	UR	VN	2,446	400-700	1x23mm Cannons 6xAPEX/APHIDs 2x750 kg Bombs
F-5A/B	Ftr/Bmr	US	TH/PI/VN	1,400	485-495	2x20mm Cannons 2xAIM-9s 2x226 kg Bombs
F-5E/F	Ftr/Bmr	US	TH/PI/MY ID/SG/VN	1,640	480-570	4x450 kg Bombs 4xBULLPUPS
A-4G	Ftr/Bmr	US	ID/SG	1,062	400-600	2x30mm Cannons 4x450 kg Bombs
F-8	Ftr/Int	US	PI	1,600	521	4x20mm Cannons 2xAIM-9s

Note: UR=Soviet Union; US=United States; VN=Vietnam; TH=Thailand; PI=Philippines; MY=Malaysia; ID=Indonesia; SG=Singapore.

SOURCES: Tom Gervasi, Arsenal of Democracy II, 1981. New York: Grove Press; Jane's All the World's Aircraft 1983-84, 1983. London: Jane's Publishing Company Ltd.

A graphic representation of the entire combat aircraft holdings of the countries of the region is shown in Figure

II-4. This includes both high performance and propeller driven combat airplanes.

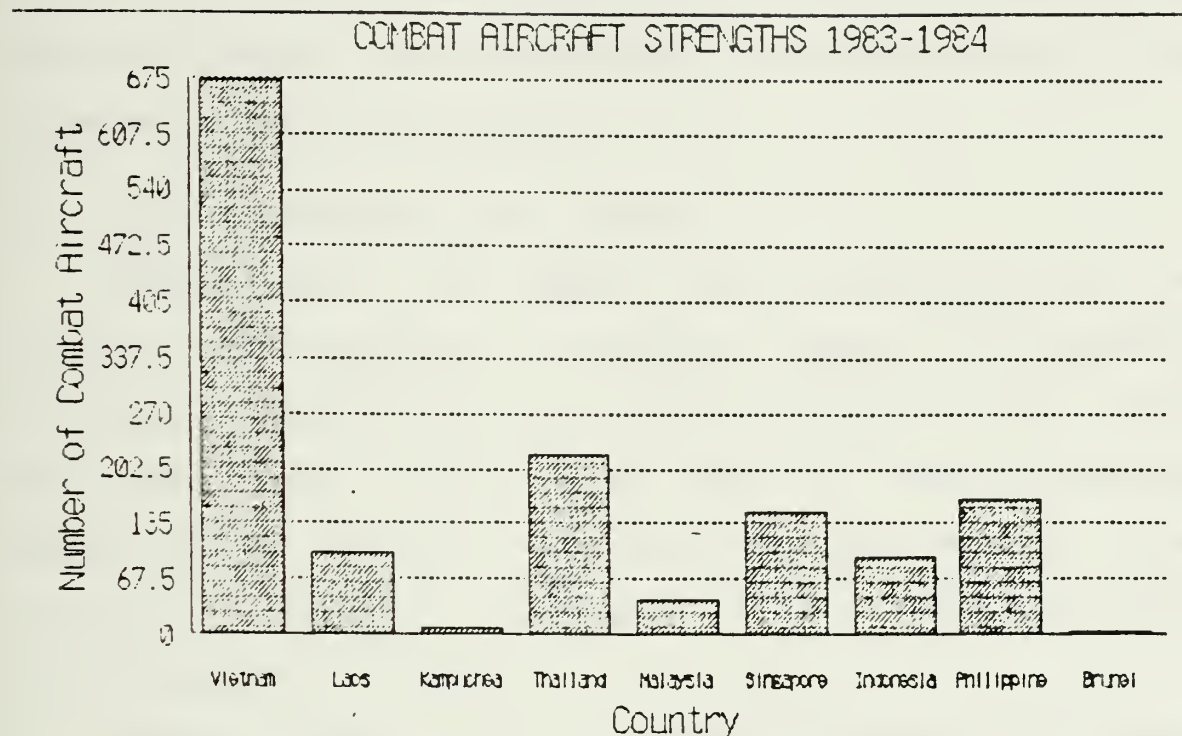


Figure II-4 Combat Aircraft

The foregoing tables and figures clearly display the comparative strengths and weaknesses of the region's armed forces. They also show that in the event of open conflict between Vietnam and any ASEAN country, a military unification of ASEAN would be almost a prerequisite to immediate survival. Perhaps even more significantly, this imbalance tends to indicate that none of the non-communist nations in Southeast Asia could long sustain their independence against a determined military assault, without the assistance of the United States and the West.

This then sets the stage for an examination of how Vietnam uses the regional imbalance of military power to achieve its goals in Southeast Asia. As will be shown, the methods of Hanoi's goal achievement are often pursued at the expense of ASEAN's interests.

B. THE VIETNAMESE MILITARY THREAT.

Unfortunately, the massive size of Vietnam's army has tempted the leadership in Hanoi to embark on dangerous courses of adventurism in the use (or misuse) of PAVN. PAVN has been used in the recent past for several offensive operations to include the invasion and occupation of three formerly sovereign neighbors, and the continuing intimidation of a fourth.

Vietnam's armed threat to Southeast Asia can be broken down into three general categories: Subversion, Border War/Incursions, and outright Military Invasion. Vietnam is experienced in the conduct of all three.

1. Subversion.

From the end of World War II through the 1970's, the nations of Southeast Asia were primarily faced with internal security threats of subversion. While the armed insurgent movements of the region were originally formed as nationalist efforts to oust western colonialism, many groups remained in the post-colonial era. The majority of these remnant insurgents were communist organizations dedicated

not to nationalism but to the destruction of non-communist national governments.

The communist government of Vietnam has often been instrumental in supporting, directing, and in some cases lending combat forces to many of the post World War subversive organizations in the region. This activity decreased by the end of the 70's due to Hanoi's split with Peking and their subsequent pre-occupation with conventional wars with both China and Kampuchea. For all intents and purposes, Vietnamese support to covert operations had come to an end by 1979.

Vietnam's move into the Soviet camp in 1978 further added to the rapid decline of subversion in the ASEAN countries. Hanoi's swing to Moscow served to exacerbate Sino-Soviet differences in the ranks of the various regional communist parties. This, in turn, led to internal fractionization and, as in Thailand's case, mass defections to the ASEAN authorities.[Heaton, 1982:785-786] The decline of Chinese, Soviet, and Vietnamese support to ASEAN's insurgent groups has allowed the indigenous governments to bring the problem under control. In many cases the ASEAN states have been able to virtually eradicate the insurgent threat.

Presently, continuing military pressure on the Chinese-Vietnamese border and the problems of occupation in

both Laos and Kampuchea seems to be fully occupying Hanoi's attentions. Should these conditions change, however, and political motivations dictate it, Vietnam could decide to renew subversive activities abroad at any time. As Douglas Pike points out, Vietnam has the "...proven ability to forge and manage an organizational (insurgent) weapon and make its will felt at considerable distance." [Pike, (November) 1981:6] While keeping this in mind, the current Vietnamese threat of large scale subversion directed against ASEAN appears to be slight.

Much of the reported subversive activity along the Thai-Malaysian border may be related to other dissident groups. Although generally spoken of under the broad brush of "communist activity," many opposition group attacks on both Thai and Malaysian government positions are perpetrated by Muslim separatists. Being Muslim, these organizations get their sustenance from other than communist suppliers. No evidence as yet unearthed indicates that suppliers of Muslim separatist groups have any connection with Hanoi. The Vietnamese subversive threat should, therefore, not be confused with the Muslim movement. Other than creating a general atmosphere of instability for the legitimate authorities, the two groups are both separate and distinct of purpose.

Pockets of remaining communist insurgent activity, including elements of the Communist Party of Thailand (CPT),

and segments of the Malaysian Communist Party (MCP/CPM) in Peninsular Southeast Asia are shown in Appendix D, Map 2.

2. Border War/Incursions.

Border warfare has been an ongoing problem along the Thai-Kampuchean border for many hundreds of years. However, Vietnamese operations along that boundary are a fairly recent phenomena. Since 1979, most Vietnamese military activities have been focused on the pursuit and destruction of ousted Kampuchean forces. These forces have been operating against Vietnam from strongholds along the Thai-Kampuchean border. Hanoi's border campaigns until mid 1980 had followed a fairly regular pattern of extensive defensive and limited offensive operations against exile forces within Kampuchea.

This pattern of Vietnamese border operations took on drastic new proportions on June 23, 1980. Elements of the Vietnamese 75th Infantry Division crossed the international border and engaged regular Thai Army troops in a pitched battle lasting more than 24 hours. While the total strength of the Vietnamese forces on the ground in Thailand probably never exceeded more than 250 troops, two Thai villages and two Kampuchean refugee camps were overrun. Thailand was forced to use helicopter gunships, jet fighters, and tanks to push the Vietnamese back. Thai casualties included 22 killed and 28 wounded. Vietnamese

losses were estimated at 75 killed.[Niksch, (February) 1981:223] Appendix D, Map 3 shows the general disposition of Thai and Vietnamese forces in the border area. The site of the June 23rd incursion is indicated by an arrow.

More recently, on the 24th of March 1984, the Vietnamese conducted another major cross-border operation that involved even larger forces. This time, at least two regiments of the Vietnamese 307th and 302nd Infantry Divisions were reported to have conducted a sweep of a large exile camp near Preah Vihear, in the Dongrek Mountains.[McBeth, (12 April) 1984:13] The location of the attack was inside Thai territory, but directed against the base camp of the Khmer Rouge 612th and 616th Divisions. Although reports on this incident are sketchy, it appears that the involvement of Thai forces was limited to artillery exchanges against a small concentration of Vietnamese infantry and a few tanks. Thai officials claim to have destroyed two Viet tanks with artillery fire on Thai soil and killed up to 50 Vietnamese soldiers. Thai sources reported their casualties as light with only five killed and possibly 30 wounded.[ibid., :14]

While in both of these cases the Vietnamese eventually withdrew from Thai territory, the lesson their actions demonstrated has been more than clear. Hanoi has the military force and the resolution to engineer border operations where and when they are deemed politically

necessary. In previous incidents of cross-border operations, Hanoi clearly intended not only to destroy bothersome Kampuchean guerrillas but also to intimidate Thailand's anti-Vietnamese leadership. Periodic reminders of Vietnamese military capabilities and their willingness to act are no doubt designed to force a more accomodating attitude from Thailand, as well as from the ASEAN states in general. Smaller scale lessons in intimidation, such as periodic artillery shellings of Thai villages and Kampuchean refugee camps, continue. Border incidents and the threat of additional incursions remain a source of grave concern for the Thai government.

3. Invasion.

Vietnam's threat of a partial, or full scale invasion is another threat that is confined at this time to Thailand. This has not always been the case however.

Vietnam's current military momentum was initiated in 1975 with Hanoi's invasion and conquest of the former Republic of South Vietnam. The success of this effort followed nearly 30 years of constant warfare against the South, with a cost of millions of lives and dollars in war associated expenditures. Estimates of the number of war related deaths in South Vietnam alone between 1960 and 1975 are over the two million mark.[Sivard, 1982:15]

Destruction of the government of the South did not satisfy the Hanoi leadership's thirst for territory. Following consolidation, the Vietnamese once again focused attention on their immediate neighbors, Laos and Kampuchea.

Vietnamese occupation of Laos was formally acknowledged under the provisions of the Vietnam-Laos Treaty of Friendship and Co-operation signed by the communist governments of both countries in 1978. This document lent a legal air to a Vietnamese presence which had been in-country since at least the early 1950's. However, under the provisions of the 1978 treaty, the status of Laos has been reduced to that of a Vietnamese vassal state. This relationship is further insured by the continued presence of Vietnamese combat troops throughout the country.

The Vietnamese invasion and occupation of Kampuchea in 1979 followed a more conventional pattern of modern warfare than tactics used in the past. Hanoi conducted a Blitzkrieg attack which engulfed the eastern half of the country and reached the headquarters of the former government in Phnom Penh in just 15 days.[Chanda, (19 January) 1979:10] The remainder of the unfortunate state took somewhat longer to overrun with complete control still lacking today in some areas. Ironically, Vietnam's continuing efforts to consolidate their position in Kampuchea are being hampered by the same type of guerrilla

subversion that was long the ~~the~~ stock-in-trade of the Vietnamese themselves.

In their efforts to settle the Kampuchean issue in their favor, Vietnam's current military target has often been Thailand. While unlikely, Hanoi does have the military capability to launch an overwhelming invasion of Thailand.

In 1965, Janice and William Fain of the Douglas Aircraft Company, conducted a simulated invasion study of Thailand, using a communist force configuration similar to that available to Hanoi. They concluded that without outside reinforcement, the Royal Thai Army would be overcome in less than thirty days.[Fain, 1965] While the present status of the Thai Armed Forces should enable them to be somewhat more responsive to an invasion attempt today, sheer numbers of Vietnamese troops that could be committed to such an effort would inevitably achieve the same results in the 1980's.

✓ Vietnam currently has only a limited capability to project their power outside of the Indochina-Thailand border area. While this precludes the immediate threat of Vietnamese invasion of any of the other countries of ASEAN at this time, this situation may be rapidly changing. Continuing Soviet efforts to arm Vietnam with sophisticated weapon systems could give Hanoi the necessary projection capability in a very few years. The Soviets are also undoubtedly furthering Vietnam's capabilities in this

regard by building their data base of strategic intelligence gathered from regular Soviet reconnaissance flights based out of Cam Ranh Bay.

One other area of potential Vietnamese threat to ASEAN exists in the area of offshore territorial disputes. Vietnam is in territorial contention concerning several islands in the Spratly group, and offshore Continental Shelf claims in the South China Sea as far south as the Natuna Islands (See Appendix D, Map 4). As indicated previously, Vietnam maintains only a limited capability to defend and support the islands that it currently occupies in the Spratlys. However, as the potential for oil and natural gas exploitation grows in the area, Vietnamese ambitions may bring them into direct conflict with ASEAN contenders for the same resources. Appendix D, Map 5 shows the range of contestants presently occupying islands in the Spratlys.

C. ASEAN'S MILITARY RESPONSE.

ASEAN's military response to Vietnam's conventional arms buildup is tempered by the fact that ASEAN is not a formal military alliance. Therefore, military responses to the Indochinese threat have been technically pursued as individual efforts. However, the pattern of independent action conducted by ASEAN members has been carefully orchestrated to be complementary to group security goals. The members of ASEAN use many informal mechanisms to achieve

a unified position on security issues. Thus, while preserving their image of a non-military alliance, ASEAN is involved in many military/security associations.

Military responses by ASEAN members to security threats have historically been two-dimensional. The first dimension is a well established web of interlocking bilateral and multilateral security arrangements with outside powers.

Thailand and the Philippines have maintained extensive military aid and security ties with the United States since the early 1950s. Both are signatories of the Manila Pact of 1954 which provided for mutual consultation and protection between these countries and the United States, Australia, New Zealand, and Great Britain. The Philippines is also linked to the United States under a bilateral Mutual Defense Treaty (MDT) signed in 1951.[Chatham House, 1956]

Malaysia and Singapore were parties to the Five Power Defence Arrangement (FPDA) of 1971, which includes Australia, New Zealand, and Great Britain. Critical aspects of this treaty include provision for an Integrated Air Defence System (IADS), Military Advisory Groups (MAGs), and participation in regular joint exercises. Australia and New Zealand station token forces in both Malaysia and Singapore under the provisions of this arrangement.[Richardson, (October) 1982:47]

Recently, Thailand has been mentioned as a potential sixth member of the FPDA. While not a former Commonwealth country, Bangkok has expressed some interest in the FPDA in regards to bolstering its position against Vietnamese and Soviet expansionism in the region.[Indorf, (15 September) 1983:28-29]

Brunei, the newest member of ASEAN, had a formal arrangement with Great Britain since 1959 for its security needs. Although independent since January 1984, Brunei hosts a British Gurkha Regiment deployed at the oil fields of Seria.["Brunei," 1983:63] This force is in addition to the small military force indigenous to the Kingdom.

Indonesia is the only nation of ASEAN that has no formal defense treaties with any other state. It does, however, maintain several military aid agreements with other countries including the United States, the Philippines, and Singapore.[Bunge, 1983:243-244]

The second dimension of ASEAN member's military response is that of establishing unilateral security initiatives, designed to link the various ASEAN states together on an informal basis. The major initiatives presently underway fall into four general categories:

1. Bilateral security agreements/exchanges, to include periodic joint military exercises.
2. Unilateral strategic repositioning of national defense assets.

3. Armed forces modernization programs, presently underway in all of the ASEAN countries.
4. An attempt on the part of ASEAN members to standardize newly procured weapon systems, all of which are being obtained from western sources.

Typical of the many informal security arrangements among the ASEAN countries is the long standing cross-border arrangement between Malaysia and Thailand. This relationship is designed to combat communist insurgents operating in the wilderness area separating their countries. Malaysia has a similar arrangement with Indonesia to combat subversive activity in East Malaysia.[Rau, 1982:28]

Singapore is another ASEAN country that maintains a variety of special arrangements with other free Asian nations. Singapore has had a role in assisting Thailand with its counterinsurgency efforts since at least the early 1970s.[Indorf, (September) 1983:35] Singapore also trains many officers of other Asian nations, and maintains facilities for this function in Brunei, Thailand, the Philippines, and Taiwan. [Singapore, 1983:20]

Indonesia frequently participates in training programs and operational exercises with ASEAN members and other regional actors. They have been involved in exercises with Australia, New Zealand, France, Great Britain, and India. Indonesia also cooperates with Singapore on various

intelligence and security matters.[Richardson, (November) 1982:55]

In the area of strategic repositioning, Thailand, Malaysia, and Indonesia have undertaken unilateral steps to present a more credible defense to the Soviet-backed Vietnamese threat. Thailand has, for obvious reasons, deployed most of its artillery and armored units closer to the Thai-Kampuchean border since 1979. These units are arranged in-depth to provide defensive blocking positions along the most likely invasion routes between the border and Bangkok.

Malaysia has likewise taken measures to improve its forward defensive posture towards Indochina. Kuala Lumpur has given some priority in recent years to upgrading the air and naval facilities at Labuan in East Malaysia.[Nathan, 1980:78] This important base supports many of Malaysia's security interests east of the Malay Peninsula, including operations involving the nation's claims in the South China Sea. Malaysia recently reinforced its territorial claims these by stationing troops on a small atoll of the Soratly Islands, Terumbu Layang Layang.[Das, 1983:40] As Vietnamese troops occupy islands only a short distance from Terumbu Layang Layang, this represents Malaysia's most forward deployment towards Indochina.

Indonesia has also improved its strategic posture. Jakarta recently opened a major advance air and naval base

on the island of Bunguran, in the Natuna Group. This base (Ranai) is an excellent early warning position, allowing Indonesian forces surveillance and strike capability throughout the exclusive economic zone (EEZ) of the South China Sea.[Howarth, 1983:1751] Ranai is located less than 450 miles south of mainland Vietnam.

Concerning modernization efforts, all of the ASEAN countries are involved to some degree in programs to improve the conventional effectiveness of their respective armed forces. This has continued since at least the mid-70s, stimulated in large part by the growing menace of Vietnam and the Soviet presence in Indochina.

Following the 1979 Vietnamese invasion and occupation of Kampuchea, all the ASEAN countries became seriously interested their defenses. Some, such as Thailand and Malaysia, have reason to feel directly threatened by Vietnam, yet the other members have been equally interested in improving their defensive capabilities.

As an indicator of the timing and seriousness of this interest, Table II-VI shows the military expenditures of the original five members of ASEAN from 1975 to 1983.

TABLE II-VI--

ASEAN MILITARY EXPENDITURES, 1975-1983

	Thailand	Malaysia	Singapore	Indonesia	Philippines
<u>YEAR</u>	<u>Millions of U.S. Dollars</u>				
1975	531	688	325	1399	712
1976	632	647	380	1370	757
1977	745	849	464	1419	728
1978	800	723	442	1404	556
1979	942	778	457	1784	643
1980	1100	1006	598	2100	779
1981	1310	1447	707	2690	862
1982	1437	2077	852	2926	878
1983	1562	n/a	n/a	n/a	n/a

Note: n/a=figures not yet available.

SOURCES: World Military Expenditures and Arms Transfers 1971-1980, (March) 1983. Washington, D.C.:U.S. Arms Control and Disarmament Agency:52-69; The Military Balance 1980, 1981, 1982, 1983-1984, 1980-1983. London:The International Institute for Strategic Studies.

Defense expenditures by all ASEAN governments increased sharply just after 1979. While this rise may not be totally attributable to Vietnam's conflicts during 1979, they must must certainly account for a significant share. The most dramatic rise in defense commitments has been that of Malaysia's, with a total increase by 1982 of over 300 percent of their 1975 spending. While figures for 1983 are not available for all of the ASEAN countries, Thailand's increase for 1983 is probably indicative of the continuing spending trend towards more and better defensive weapon systems.

Figure II-5. presents a graphic picture of total ASEAN military expenditures from 1975 to 1982.

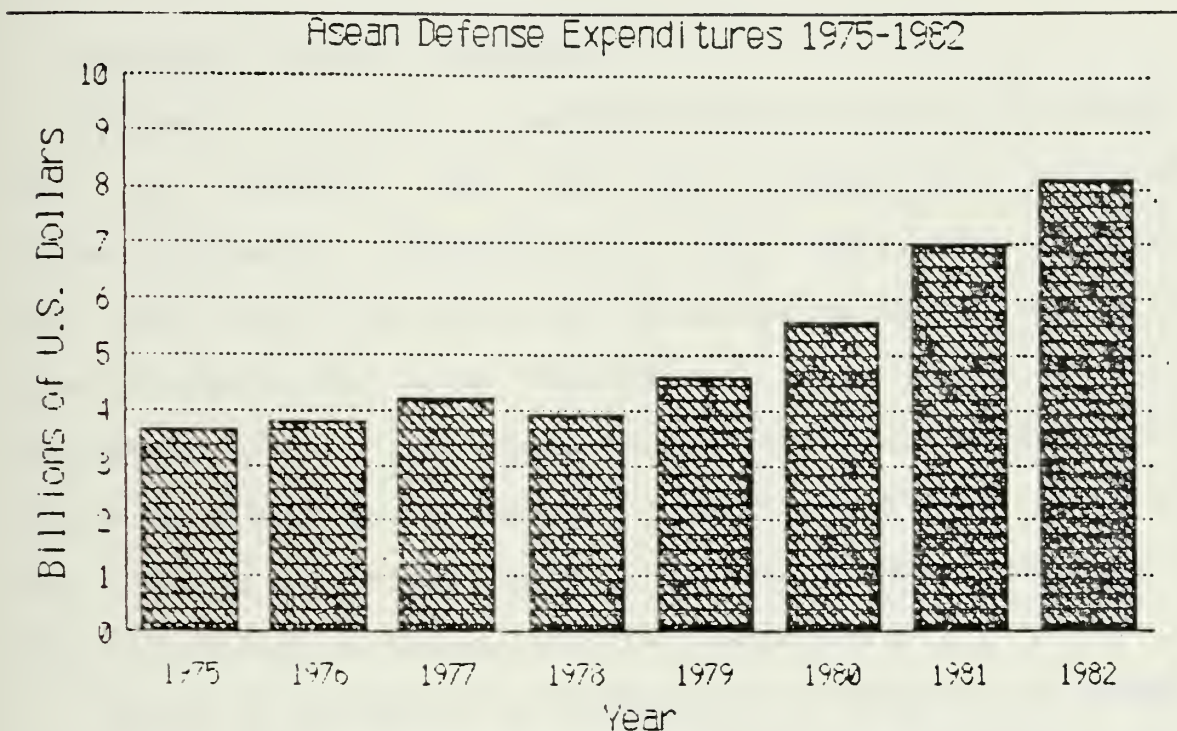


Figure II-5 Total ASEAN Defense Expenditures

As this graphic illustrates, military spending by ASEAN countries rose to (U.S.) \$8.170 billion dollars by 1982, thus showing a total increase of over 200 percent of the amount spent for the same purpose in 1975. This trend appears to be continuing.

With the upgrading and purchase of new weapon systems, the ASEAN states are also attempting to standardize their individual arsenals. In the past, this was more the offshoot of purchases from the same Western arms suppliers

than from any planned effort on the part of ASEAN members. This may be changing, however, as a number of the countries are voicing interest in integrating their military equipment.[Richardson, (November) 1982:57]

D. EXTERNAL MILITARY INTERESTS.

External military interests and policies in the region can be divided into two basic categories: military presence/physical assistance in the region, and military aid. While many countries can be listed as participating in arms transactions with Southeast Asian nations, this discussion will be limited to those directly involved in the region as a military presence. This narrows the field to four of the more significant external actors; Australia, the United States, China, and the Soviet Union.

Australia maintains a permanent Air Squadron of MIRAGE fighters, and a detachment of two P-3 ORION reconnaissance aircraft at Butterworth, Malaysia. Butterworth is also the headquarters of the Integrated Air Defence System (IADS), which is manned in part by Australian personnel.[Hewish, 1979:219] Australia also stations up to eight Royal Australian Air Force (RAAF) fighters at Tengah, Singapore, on a rotating basis from Butterworth.[ibid., :220] While not deployed in numbers that present a realistic deterrence to regional threats, Australia's presence does represent a tangible link with Western powers.

As provided under the Military Bases Agreements of 1974 and 1979, the United States maintains a substantial military presence in the Philippines. The two most important bases are Subic Bay, headquarters of the U.S. Seventh Fleet; and Clark Air base, headquarters of the 13th Air Force.

Subic Bay plays host to between six and seven attack aircraft carriers, 87 other major surface warfare combatants, 39 attack submarines, and 32 amphibious vessels. The Seventh Fleet also operates several P-3C ORION reconnaissance aircraft out of Cubi Point Naval Air Station. Permanent American personnel stationed at Subic Bay nears the 6,000 figure.[Berry, 1982:13]

Clark Air Base is a major air logistics support facility and the home station for several U.S. Airforce squadrons. It houses two fighter/interceptor squadrons of some 48 F-4E PHANTOM fighters, 10 F-5 TIGER IIs and four T-38A TALON trainers, combined with a tactical airlift wing of 16 C-130 HERCULES, and three C-9A NIGHTINGALES. Clark also supports an aerospace rescue and recovery squadron of four HH-3E JOLLY GREEN GIANTS. U.S. military personnel stationed here number close to 8,000.[ibid., :12]

Beyond the 1979 punitive invasion of Vietnam, China's military involvement in Southeast Asia has been low-keyed in the modern era. China had maintained 14-20,000 roadbuilding personnel in northern Laos from at least the early 60s to late in 1978. While the military orientation of this effort

has been questioned, the road construction itself was protected by antiaircraft artillery installations.[Whitaker, 1972:261] Additionally, the military implications of this road (which was planned to link China and the Laotian capital of Vientiane) were extremely disturbing to ASEAN countries, especially Thailand.

More recently, China's involvement has been confined to material and training support to anti-government groups in Laos, Kampuchea, and possibly Vietnam. China has allowed the establishment of several resistance camps near the Lao border in southwest Yunnan Province. Groups such as the Sip Song Panna Division, and the Daizu Zizhizhou (Thai People's Autonomous Prefecture) are reportedly headquartered here.[Gunn, 1983:321] Laotian guerrilla leaders still active against the current Indochinese governments such as Vang Pao, Kong Le, and Phoumi Novasan all appear to be receiving some measure of support from Beijing.[Chanda, (26 March) 1982:44]

Continuing Chinese support to Kampuchean resistance groups has probably been the most significant factor sustaining military opposition in Kampuchea since 1979. This support is mostly limited to small arms and ammunition. Though initially confined to the Khmer Rouge, Chinese assistance has also been extended to the KPNLF and Sihanoukist exiles in recent months. A few Chinese

"advisors" were stationed in Kampuchea during the Pol Pot Khmer Rouge regime, and though unconfirmed, some may still be in Democratic Kampuchean (DK) camps today.

Soviet involvement in the region was mostly limited to military aid and support to friendly non-communist, and communist governments up to 1979. This circumstance then changed when Vietnam granted Moscow major basing rights for air and naval assets of the Soviet Far East Fleet. This developed in response to the Sino-Vietnamese conflict in February, with Hanoi probably feeling that Soviet presence on Vietnamese soil would act as a substantial deterrent to Chinese ambitions. By September 1979, the Soviets had at least 15 warships on station at Cam Ranh Bay, and a detachment of TU-95 BEAR and TU-16 BADGER reconnaissance aircraft at Cam Ranh and Da Nang air bases. This military presence has been in Vietnam ever since. Estimates of Russian military and civilian advisors stationed in Vietnam range from 5,000 to 8,000. [Manthorpe, 1980:117] By 1980, Soviet AN-12 CUB pilots were actively engaged in flying transport missions for Hanoi to include support to combat troops inside Kampuchea. Also by 1980, Soviet advisors were active in both the Navy and the Air Force training Vietnamese personnel for increased operational roles. Russian specialists have also been noted in various positions assisting the operation of major port facilities, such as those at Haiphong Harbor. [FBIS YB, (12 March) 1982]

Other Soviet projects in the area include the construction of a communications monitoring station at Cam Ranh Bay; a similar installation at Kompong Som, in Kampuchea; and the conversion of the port facility at Ream, Kampuchea into a deep water harbor. [Hosmer and Wolfe, 1983:19]

E. SUMMARY.

Clearly, the foregoing evidence shows that the current balance of military power in Southeast Asia is heavily weighted towards the Indochina Bloc. Vietnam, under the tutelage of the Soviet Union, has amassed military strength far in excess of that needed for normal defensive purposes. This, and the ideology of the men behind Vietnam's military machine, present a "clear and present danger" to the stability Southeast Asia.

While Hanoi's plans for the future are unclear, its military capabilities have put them in a position to dictate military terms when other methods of political maneuverings failed. As this will continue to be unacceptable to the ASEAN states, some alternative must be found. The following chapter on political mechanisms of interaction will address this problem.

III. THE POLITICAL ARENA

As in the military arena of interactive national interests, imbalance is characteristic of the political arena also. Political power in Southeast Asia is unequally divided between the two polar factions. This contributes to regional instability, which increases the potential for war. Unlike the military arena, however, the balance of power in the political sphere of interaction has often been weighted in favor of the ASEAN countries, and against Indochina. Vietnam is aware of its inadequacies in this arena and frequently feels threatened by ASEAN's political successes. Additionally, Hanoi's leaders are subject to the same misgivings about their neighbors that afflicts all communist regimes. In essence, they are convinced that the rest of the world is out to get them. Consequently, the potential for instability in the region frequently rises in direct proportion to the degree in which Vietnam/Indochina feels threatened by ASEAN's political maneuverings.

This chapter examines the nature of the present political impasse in Southeast Asia through a discussion comparing the governmental evolution of each faction, and its current national interests. The diplomatic environment is then examined in terms of the political threat that ASEAN's policies represent to Vietnam/Indochina, followed by a discussion of Hanoi's strategy to counter this threat.

Finally, there is a brief look at external political interests and policies as they influence regional issues.

A. THE POLITICAL IMPASSE: A CONFLICT OF IDEOLOGIES.

Probably the most significant obstacle to resolution of the differences between ASEAN and Indochina today, is the perception that each side holds towards political conduct in pursuit of national interests. Stated another way, the present impasse between ASEAN and Indochina is more or less a function of substantially differing ideologies. These ideological differences extend to almost every aspect of internal and external political activity.

1. The Political Heritage of ASEAN.

While the six countries of ASEAN have diverse ethnic, cultural and linguistic backgrounds, they share a common heritage of traditionalist orientation and modern western influence. Many cultural traditions extending back thousands of years are still very important to ASEAN societies today. Added to this is the institutional influence that the West has imparted over the last few centuries. This combination of attributes has given the governments of ASEAN a western ideological patina, which overlays the natural harmony of traditional Southeast Asian life styles. This means that the ASEAN countries subscribe to an often loose centralization of political power, allowing extensive individual freedom in many endeavors.

Furthermore, ASEAN governments rely heavily on traditional customs and ethics to insure a proper attitude of the populace towards achieving national goals.

These countries have confidence in their own abilities to govern themselves. Long standing historical institutions of the paternal God-King, and/or dictatorial strongman, greatly influence modern ASEAN governments. Most of these systems still incorporate such elements of leadership in varying degrees, in a unique blend of local despotism and quasi-democracy. ASEAN governments are often formed around the traditional paternal strongman who rules a generally westernized open society, through a bureaucracy of elites.

2. Vietnam's Political Heritage.

Vietnam, shares some of the same patterns of government, but with variations. Vietnam has often been subject to, or run by foreign domination for long periods of time. China has been the main subjugating force in this regard since at least 111 B.C., when Nam Viet was incorporated into the Han Chinese Empire.[Duiker, 1983:15] During the frequently harsh thousand year rule of China over Vietnam, Chinese culture and political influence was literally beaten into the often rebellious populace. During this period of domination, Vietnam developed a mixture of Confucian loyalty and Mencian rebelliousness. Strong

characteristics of both of these factors are seen in the Vietnamese ethos of today.

Chinese influence may also account for the traditional Vietnamese adherence to a centralized form of government. William Duiker, notes that modern Vietnamese socialism "...like its Confucian predecessor, (has) found much to imitate in its great neighbor, China." [ibid.,:136] Additionally, Vietnam was frequently divided into warring factions throughout its history, and one or another faction was usually ruled by a dominant family or emperor with dictatorial power. Thus, the current obsessive Vietnamese concern with strict organization and totalitarian rule is no stranger to Vietnam.

Vietnam's paranoia about external powers also has historical roots. Besides fending off the Chinese, the Vietnamese have often been involved in wars against other expanding Southeast Asian cultures. In many cases these wars were prosecuted in an effort, not only to survive, but to expand Vietnamese civilization. Vietnam has learned over the centuries that the most assured guarantee of their survival is to infiltrate, control, or eliminate one's neighbors. This theme has been especially prevalent in Hanoi's dealings with the Indochinese states of Laos and Kampuchea. Vietnam has attempted to infiltrate and control these states for several hundred years. Not surprisingly, Vietnam's chief regional opponent of this effort has been

Thailand, a centuries-old foe. In addition to China. Thailand has always been a major competitor for the same spheres of power as Vietnam. Considering the present attitude of the Hanoi leadership, it is clear that the perception of enemies on all sides is another characteristic of Vietnamese thought that has survived to the modern era.

Vietnam does share at least one aspect of its developmental experience with its ASEAN neighbors. This is western colonial rule, that included all of Southeast Asia with the exception of Thailand. For Vietnam this entailed domination by the French from approximately 1883 to 1954.

For Southeast Asia in general, western colonialism provided the impetus for the creation of national liberation movements in almost every country. While nationalism was sufficient for the other emerging countries of the region, it was not for Vietnam. The parallel movement of world communism captured the emerging Vietnamese nationalist effort at a very early stage, resulting in a movement dedicated not only to the liberation of Vietnam from colonial power but to the goals of communist world domination. Nationalism was thus subverted to communism in Vietnam. Consequently, the developmental similarity between Vietnam and the rest of Southeast Asia begins with the common roots of nationalism, and ends with the emergence of communism. Vietnam's conduct, since the communist

assumed power in North Vietnam in 1954, has been a textbook case of classic communist warfare against all of its immediate nationalist neighbors.

3. Physical Manifestations.

As noted, the political scene in Southeast Asia is a product of two very different patterns of ideological evolution. Situations such as the Vietnamese occupation of Kampuchea, mass migrations of unwanted Indochinese refugees, and punitive border incursions against Thailand are manifestations of this ideological difference. While these differences are frequently regarded as causing the current impasse between Indochina and ASEAN they are only the physical indicators of basically fundamental differences in ideology.

It is apparent that solving the current regional problems will necessitate taking ideological motivations and imperatives into account before any resolution of these problems can be successful.

B. CURRENT NATIONAL INTERESTS.

1. ASEAN's Collective Interests.

When discussing the national interests of ASEAN a distinction must be made at the outset between those that are collective aspirations, and those that are individually subscribed to. This discussion will be concerned with the former.

ASEAN's collective political interests can be divided into two general categories; long-range, and short-range interests. Long-range interests encompass ASEAN's perspective of itself as an organization, and its hopes and considerations for the future of the region. These considerations/interests include the following:

1. The Right of Self-Determination. A major objective of ASEAN is to establish and preserve the right of individual states to maintain their territorial integrity, national ideals, and political independence. This sentiment is on record in the 1976 ASEAN Treaty of Amity and Co-operation, the principles of which are included in Chapter I, under ASEAN's Development. Implied in this goal is the willingness on ASEAN's part to attempt to neutralize and or eliminate threats to this basic security interest, whether of a subversive or overt nature. That the membership whole heartedly supports this objective is apparent in their vehement opposition to the Vietnamese occupation of Kampuchea. While ASEAN is limited in their methods of policy implementation, which will be discussed shortly, they focus much of their political clout on trying to solve this particular problem. National freedom of action is clearly a significant aim of ASEAN.

2. Avoiding Great Power Entanglements. ASEAN has no interest in becoming involved in the power politics of the "Great Powers." Beyond the danger of nuclear war, past

experience has shown ASEAN states that political balance in the region is best achieved with a minimum of outside interference. This idea is expressed most appropriately in the 1971 ASEAN declaration of a "Zone of Peace, Freedom, and Neutrality" (See Chapter I for further elaboration on this pronouncement). In essence, ASEAN advocates low-profile visibility for external actors in regional affairs to minimize conflict that has historically been inspired by outside powers.

3. To Promote Regional Peace and Stability. Included in the founding concepts of the organization, the desire for regional peace and stability summarizes elements of the other long-range political goals of ASEAN. The membership of ASEAN subscribe to an "...abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations charter." [Europa, 1982-83:121] Such adherence has so far been their greatest regional strength in attempting to obtain peace and stability to date.

ASEAN's short-range interests are much less complicated, as they revolve around a single objective: to dissuade or prevent communist advances which erode their long-range common interests.

In this regard the current most important ASEAN mission is to bring about a satisfactory resolution of the Vietnamese occupation of Kampuchea. Of lesser emphasis is

the continuing effort to limit/eliminate internal subversion and potential military threats to member nations, such as that posed by Indochina against Thailand. For ASEAN the priority of their immediate interests changes in response to the current communist threat. This by definition includes potential threats from China, and the Soviet Union as well as the immediate threat of Vietnam/Indochina.

2. Indochina's Vietnamese Interests.

Vietnam's political interests revolve around several specifically defined goals. For purposes of comparison these objectives will be divided into the same long-range and short-range categories as ASEAN interests.

Long-range Vietnamese interests must be further separated out to differentiate between propaganda positions, and actual Vietnamese ambitions. In this process of translation, two major strategic propaganda goals can be included as significant Vietnamese interests:

1. "Solidarity and all-round co-operation with the Soviet Union." Vietnamese General Secretary of the Central Committee Le Duan, speaking at the Fifth Congress of the Vietnamese Communist Party Congress in 1982 stated that this principle has "always been the cornerstone of our party's and state's foreign policy." [Thayer, (11-14 April) 1983:28]

2. Consolidation of the "special Vietnam-Laos-Kampuchean relationship." During the same congress Le Duan stressed the evolutionary law of the revolution in the three countries," adding that the success of this "special relationship" is a "matter of survival for the destiny of the three nations." [ibid., :28]

Certainly the Hanoi leadership perceives that this is a matter for the survival of Vietnam. The survival of the other, formerly independent countries of Indochina is somewhat less certain.

Translating these strategic platitudes into realistic long-range interests, the following five Vietnamese objectives have been proposed by Lee Dutter and Raymond Kania based on extractions from the Vietnamese press. [Dutter, 1980:932-933] Fundamental Vietnamese interests are:

1. To gain "political independence from all non-Vietnamese influences."
2. To gain "as far as possible, independence from foreign sources of economic and or military aid and material."
3. To establish and preserve the "territorial integrity and unity of ethnic Vietnamese peoples." As Dutter and Kania put it, "to gather all ethnic Vietnamese into one political territorial unit," to achieve "the ethnic purification of such a unit."
4. To achieve "military security from any potential or real threat, attacks or invasions."
5. To make the Socialist Republic of Vietnam "into a regional power in Southeast Asia through the achievement of the first four goals and domination of the SRV's immediate neighbors to the west."

Though seemingly a contradiction of the previously stated goal of co-operation and solidarity with the Soviet Union, political independence from all non-Vietnamese

influences is a realistic nationalist aspiration. It is to be expected that Hanoi would as soon be rid of their dependence on the Soviet Union as they would the rest of the external powers. At the very least it is probably safe to assume that Vietnam would like to limit external "Great Power" involvement in a region they wish to dominate. The second objective ties in with this consideration. Certainly the increasing dependence on foreign (Soviet) resources must wear on the Vietnamese leadership. True independence can never be achieved under such circumstances.

Goal three, establishing and perserving the "territorial integrity and unity of ethnic Vietnamese people", and goal four, achieving "military security from any potential or real threat, attacks or invasions", are similar in that they both express the desire to unify Vietnam into a whole. The most threatening military force in this regard is of course that of China, with a smaller threat posed by ASEAN supported insurgency.

The fifth Vietnamese interest, making Vietnam into a regional power in Southeast Asia, is daily becoming more apparent as the overall goal of the present leadership. In some circles it has even been refered to as Vietnam's "Imperial Ambition." In fact, it appears to be of such overwhelming importance as to override all other considerations of foreign policy, and internal development.

Concerning the matter of short-range interests, these Vietnamese goals have been laid out by Douglas Pike in his paper on Hanoi's intentions for the 1980's. [Pike, 1981:4] Among the goals that he indicates Vietnam is interested in are:

1. The objective of securing "a pliant and non-threatening region; above all this applies to the Indochina peninsula."
2. "...to prevent the development of an anti-communist front, either a militant ASEAN, a revised SEATO or some other regional grouping hostile to Vietnam."

Additional Vietnamese short-range interests as identified by Kania and Dutter [Dutter, 1980:934] are listed below:

3. The expulsion of extra-regional influences from Indochina.
4. "Obtaining aid from all available sources for reconstruction and economic development," as well as for "military strength and security."
5. "The expulsion of dissidents so as not to impede economic, political, and social development."
6. "Acquisition and maintenance of a preponderance of influence over the domestic and foreign affairs of Laos and Cambodia (Kampuchea)."
7. "The increase of Vietnamese influence in northeast Thailand so as to hold that traditional enemy at bay."

C. THE ASEAN POLITICAL THREAT TO INDOCHINA.

In spite of external threats from China and the U.S., Hanoi perceives ASEAN and its membership as the principle

political threat to communist Indochina's survival and sovereignty.

1. The Threat to Vietnam.

The political threat posed to Vietnam through ASEAN policy, exists in at least two dimensions: ideological threats that are perceived by Vietnam, but which may have only a tenuous basis in reality; and actual threats of a more substantive nature.

Ideological struggle between the forces of Vietnamese socialism and ASEAN capitalism as defined by Marxist theory fit into the former category. Douglas Pike points out that "the official Hanoi view is that the governments and societies of ASEAN are neither legitimate nor durable." [Pike, (Summer) 1983:47] Hanoi's repudiation of the ASEAN government's legal and enduring nature signifies that Vietnam perceives them to be threats to the legitimate communist forces of "progress and reaction." Pike sums up this attitude by concluding that, "the peoples of the ASEAN region should make no mistake about it, entertain no illusions -- Hanoi regards them and their system as the ideological enemy." [ibid., :48]

Another facet of the ideological threat that Vietnam feels from ASEAN is in the area of capitalist tendencies on the part of the so-called loyal cadre. While this will be further elaborated on in the chapter on economics, suffice it to say here that Hanoi is concerned about its socialist

economic failures and the temptations of capitalism that are introduced from neighboring ASEAN countries. In many cases, Vietnam blames its own economic failures and the tendency of its population towards free market enterprise on ASEAN attempts to undermine its socialist institutions.

The ideological threat to Vietnam is a threat against the very fabric of socialist orthodoxy, which is focused mostly in the immediate confines of Hanoi. While the validity, and degree of seriousness of this threat is subject to interpretation from the outside, there is no doubt that it will remain a real consideration for the policy makers in Hanoi for some time to come.

2. The Threat to Vietnamese Kampuchea.

Beyond mundane ideological considerations that constantly worry the communist leadership, Hanoi is also concerned with more substantive political threats. The largest of these dangers is that of the continuing resistance on the part of ASEAN to recognize Vietnamese suzerainty over Kampuchea. This problem has been especially bothersome since the Vietnamese invasion of Kampuchea in 1979.

The ASEAN threat to Kampuchea takes two forms: political maneuvering in international forums to isolate and bring sanctions against Vietnam; and local support, to include arms and other physical assistance to exile

Kampuchean groups which conduct... subversive operations against the Vietnamese.

Since 1979, ASEAN has waged a very successful political campaign in the international media to raise sanctions against Hanoi. Through political agility in the United Nations and other international forums, ASEAN has been able to convince the rest of the world that Vietnam's position in Kampuchea is that of a foreign occupying power. Thus, while Hanoi insists that the Vietnamese presence in Kampuchea is based on legitimate humanistic and security considerations, ASEAN continues to hold sway over international opinion. In this manner they have successfully managed to politically isolate Vietnam from the international recognition and western support that it so desperately needs. Les Buszynski has summed the situation up in his statement that, "...ASEAN has the power to confer or deny legitimacy to the Vietnamese-sponsored regime in Kampuchea; and it is this legitimacy that Vietnam courts." [Buszynski, 1984:29] While this kind of pressure has not succeeded in forcing the Vietnamese out of Kampuchea to date, it has significantly limited the scope of their activities. As a direct result of ASEAN's machinations since 1979, Vietnam has been a regional and international "basket case" in both the political and economic arenas.

Another aspect of the ASEAN threat to Vietnam/Indochina exists in the form of support given to

exiled and internal resistance groups for purposes of subversion. This support is rendered by political endorsement and assistance, and arms transfers.

ASEAN's efforts to politically bolster resistance to Vietnam's occupation of Kampuchea has been oriented around the following major objectives: to maintain the legal right of the government of Democratic Kampuchea to be the sole Kampuchean representative at the United Nations; to bring about an international conference on Kampuchea under U.N. auspices; and to encourage the formation of a united front government among the exile Kampuchean resistance forces.[Soon, 1982:549] ASEAN has experienced mixed success in achieving these tasks.

In the United Nations, ASEAN has so far had a perfect record concerning the continued U.N. endorsement of legitimacy for the Coalition Government of Democratic Kampuchea (CGDK). October 20th of 1983 marked the fifth consecutive year that ASEAN has been able to marshal the necessary votes for its candidate to remain in the U.N. Kampuchean seat. Equally important to ASEAN's long term success, though, are indications that Hanoi and Moscow are gradually losing ground in their annual efforts to install their puppet candidate, the People's Republic of Kampuchea (PRK), in the U.N. seat. U.N. voting against the Hanoi-Moscow candidate has increased from 71 in 1979, to 90 in 1982.[Indochina Chronology, (October-December) 1983:12-13]

ASEAN attempts to bring the Kampuchean question under U.N. control has met with somewhat less success. ASEAN managed to convene an International Conference on Kampuchea (ICK) in July 1981, but little has come of the pronouncements arrived at during this meeting. Essentially, the points endorsed by the U.N. conference have been unacceptable to Vietnam, who has since (in Vientiane in 1982) presented her own conditions for resolution of the Kampuchean problem.

While there are obviously more important issues to be discussed and resolved between ASEAN and Indochina on the Kampuchean problem, such minutia as the format and sponsorship of any potential conference have been among the more crucial initial stumbling blocks. ASEAN advocates a United Nations sponsored conference, with open participation by all concerned parties. Hanoi insists upon regional discussions only, with equally limited participation by pre-approved representatives. Such foot-dragging not only illustrates a characteristic tactic of Hanoi, (that of delaying when in a weak position) but also points-up their current unwillingness to negotiate. The Vietnamese leadership is convinced that their position in Kampuchea is totally legitimate. Also, having learned from experience that obstinacy works against a superior foe, Hanoi is apparently convinced that time will overcome resistance to

their political position. Table III-1 outlines the general position of both sides on the Kampuchean question.

TABLE III-I

OPPOSING POLITICAL PROPOSALS FOR THE RESOLUTION
OF THE KAMPUCHEAN PROBLEM

<u>ASEAN</u>	<u>INDOCHINA</u>
Ceasefire by all parties & withdrawal of all foreign armed forces in the shortest time possible with verification.	Total withdrawal of Vietnamese troops from Kampuchea after the threat of Chinese, American & other reactionary forces disappears.
U.N. supervised free elections with measures to insure no interference in election outcomes.	Recognition of a U.N. role in the settlement if it withdraws recognition of CGDK & leaves the U.N. Kampuchean seat open.
U.N. peacekeeping force to insure law and order and prevention of armed Kampuchean elements from seizing power during Vietnamese withdrawal.	Establishment of a safety zone along Thai-Kampuchean border. Remove all anti-Heng Samrin combatants and refugees from the Thai side of the zone. Vietnamese troops would remain out of the zone, but in all of the rest of Kampuchea.
Respect for Kampuchea's sovereignty, independence and territorial integrity.	Establishment of a Viet-Thai non-aggression pact.
Assurances that Kampuchea will not be a threat to any of its neighbors.	Partial withdrawal of Viet troops after China stops assisting exile insurgents.
U.N. guarantee of non-interference by external powers.	A regional conference between ASEAN and Indochina.

SOURCES: Lau Teik Soon, "ASEAN and the Cambodian Problem," Asian Survey, (June) 1982:549-550; FBIS YB, (7 July) 1982:A2.

Another significant obstacle to agreement on resolution is that of the Vietnamese proposal to establish a "safety zone" on both sides of the Thai-Kampuchean border, prior to any talks taking place. While Vietnam clearly has no intention of taking its case to a United Nations world assemblage that has gone on record as being critical of Vietnamese actions inside Kampuchea, Thailand is even less likely to allow part of its soil to be used as a common no-man's land.

Though there are few positive signs of a political solution to Kampuchea, the fact that Vietnam continues to be on the defensive in this arena, suggests that ASEAN still holds the upper hand as far as maintaining a superior political position is concerned.

Concerning ASEAN's attempts to form a unified front of the exile Kampuchean forces, success here has also been somewhat qualified. It is to be noted that the CGDK itself was agreed upon only after protracted negotiations involving the ASEAN states, China and the various independent resistance groups. The present coalition government was formed on 22 June 1982.

Key members and their respective positions in the exile government of Kampuchea are shown in Figure III-1.

THE COALITION GOVERNMENT OF
DEMOCRATIC KAMPUCHEA

President and Designated Chief-of-State:

Prince Norodom Sihanouk - Also leader of MOULINAKA.

Vice President (for Foreign Affairs):

Khieu Sampham - Also leader of DK/KHMER ROUGE.

Prime Minister:

Son Sann - Also leader of KPNLF.

Finance and Economy Coordination Committee:

Ieng Sary - Also Deputy Prime Minister KHMER ROUGE.

Bour Hell

Boun Say

Defense Coordination Committee:

Son Sen - Also Deputy PM for Natl. Def. KHMER ROUGE.

Im Chhoodeth

In Tam - A Former Premier of the Lon Nol government.

Culture and Education Coordination Committee:

Thunc Rien - Also Secretary of Info. for KHMER ROUGE.

Chak Saroeun

Chhoy Vy

Health and Social Affairs Coordination Committee:

Dr. Thiouan Thioen - Also Min. Health for KHMER ROUGE.

Dr. Bou Kheng

Prince Norodom Chakrapong

SOURCES: Indochina Chronology. (January-March) 1982:10-11;
(July-September) 1982:9.

Figure III-1. Coalition Government of Democratic Kampuchea

This government in exile was formed from the three largest Kampuchean resistance factions: the Sihanouk force of MOULINAKA, consisting of approximately 5,000 fighting men; the Son Sann KHMER PEOPLE'S NATIONAL LIBERATION FRONT (KPNLF), with approximately 12,000 troops; and the Khieu Samphan KHMER ROUGE/DEMOCRATIC KAMPUCHEA (DK) forces with maybe 40,000 armed soldiers.

While the formation of the CGDK has provided a legal focus for regional opposition to the Vietnamese occupation it has many internal problems that still prevent its smooth and effective operation. One of the primary obstacles to its current effectiveness is that each faction continues to exercise independent action with little consultation with the coalition government. Under the original terms of the coalition all (then) existing parties were to retain their independence, but all decisions were to be undertaken by consensus.[Europa, 1982-1983:623] This provision has only worked in principle. Although central leadership and direction has yet to be firmly established, the CGDK remains the current legal Kampuchean representation to the United Nations.

Another problem with the coalition exists in the "bad blood" that is present between some of the groups. Past atrocities committed by the Khmer Rouge when they were in power in Kampuchea have not been forgiven by other groups. Staff meetings held between the CGDK government and

Khmer Rouge members must be held in Khmer Rouge territory because of the danger of the communists being assassinated in the other camps.[Tasker, 1984:33] While the existence of the CGDK is a step in the right direction for ASEAN, considerable work is yet to be done to make it a truly viable mechanism of Vietnamese opposition.

Concerning arms transfers and material support of ASEAN to the exile groups, although the majority of arms come from China, individual members of ASEAN have sent arms and equipment on occasion. Singapore has been the most forthcoming in this regard. Singapore's material support has extended to items as large as a radio transmitting station, which was delivered to the KPNLF in 1983 for daily broadcasting of free Kampuchean information/propaganda. [Indochina Chronology, (July-September) 1983:9]

Other ASEAN assistance to arms support operations usually assumes the form of lending their territory and good offices to assist transshipment of arms from other sources. Vietnam has complained bitterly and often against Thailand in regards to their constant support of this type of activity. Nevertheless, Thailand will probably continue this level of assistance as long as the current situation remains as it is.

As for the rest of the ASEAN countries, public admissions of physical support to the Kampuchean resistance

have been studiously avoided. While others may, in fact, be supplying some form of help, Thailand and Singapore appear to be the main players in this endeavor.

3. The Threat to Laos.

The threat to Laos that is posed by ASEAN is mostly confined to the economic impact of political isolation. Though Laos is dependent on Vietnam for military and political direction, they must turn to Thailand for the lifeblood of their economy. Thus, the relationship between Laos and ASEAN is as critical to Vientiane's survival as their relationship with Vietnam.

It is the very nature of this highly dependent situation that is ever a threat to communist Laos. Thailand has illustrated this fact several times in the past by closing their common borders and strangling Laos' commerce. This has mostly been implemented as a result of political motivations, such as minor border skirmishes. However, Bangkok has not been above using their economic hold over Vientiane to achieve desirable concessions on other issues. Thailand correctly sees this mechanism as their most effective method of keeping Vietnamese influence in Laos under some measure of control.

D. VIETNAM'S COORDINATED COUNTER-STRATEGY.

Hanoi has several methods it can use to combat ASEAN's political prowess. Beyond the standard use of their

military arm for intimidation, Vietnam's diplomatic response to the threat has been aimed at disrupting ASEAN unity, and separating them from their base of "Great Power" supporters. To accomplish this task they have used a policy of what Douglas Pike has described as the "psycho-political" approach. [Pike, (Summer) 1983:16]

1. The Psycho-Political Approach.

The psycho-political approach consists of holding ASEAN's attention with political "carrots" while periodically employing the military "stick" to coerce them into compliance with Hanoi's wishes. Like most strategies used against ASEAN, this one has been a coordinated effort between all three Indochinese states.

Indochinese use of this strategy has been conducted in two phases. The first phase consists of maintaining a regional dialogue with the individual members of ASEAN. This accomplishes two important functions, it allows Hanoi to sow seeds of discord between the separate states, and it helps to reduce ASEAN's cohesiveness, especially towards formulating a harder line position against Hanoi. As Leszek Buszynski puts it:

"...Vietnam's effort to approach ASEAN hinges upon upon an attempt to influence the development of opinion within ASEAN towards itself in the hope that that ASEAN as a group will accept the view of the the moderate members to the effect that it has a stake in Vietnam's ability to maintain itself against its enemy." [Buszynski, 1983:101]

Evidence of this approach is visible in the busy schedule of Vietnamese Minister of Foreign Affairs Nguyen Co Thach. Thach is constantly shuttling about the region presenting the appearance of Hanoi's willingness to discuss problems, but offering little in the way of realistic solutions. Thach wastes very few opportunities to play one ASEAN country against another, which he has done very effectively at times during the past. Examples of this type of maneuver include the careful wooing of Indonesia's military chief, Benny Murdani, getting him to speak out publicly against ASEAN's position on Kampuchea.[Awanchara, (29 March) 1984:15] Also the April disclosure of Singaporean trade ties with Vietnam, which serves to discredit Singapore's hard-line stance against Hanoi.[Kulkarni, (5 April) 1984:54] Both of these cases are prime examples of Vietnam's continuing efforts to drive a wedge between the ASEAN alignment and decrease their regional effectiveness against Hanoi.

The other phase of psycho-political defense against ASEAN falls under the general category of intimidation. According to Douglas Pike, Hanoi will gradually attempt to:

"...induce and coerce the ASEAN countries to cut their ties with the capitalist world (and the multinational corporations which Hanoi holds to be even more odious) in exchange for regional harmony, and as the only way ASEAN can ever get regional harmony."[Pike, (Summer) 1983:16]

What Pike describes as Hanoi's long-range strategy is that Vietnam will offer peaceful coexistence (under the guise of "true" nationalism) in exchange for reduction of dependence on any external power. On the surface this proposition sounds very attractive, however, underlying the surface is the question of dominance in the region. Given the western/Japanese sources of ASEAN's current organizational strengths (especially economic prosperity) it seems apparent that Vietnam would be the preeminent power under such an arrangement. Therefore this phase of Hanoi's policy responses to ASEAN would not appear to have much chance of success.

E. THE IMPACT OF EXTERNAL POLITICAL INTERESTS.

In addition to confrontation between ASEAN and Indochina, the major external powers of China, the Soviet Union, Japan, and the United States have interests which impact directly on regional conflicts. Since Japan's interests are mostly limited to economic issues, the other three "Great Powers" will form the basis of this discussion.

1. Regional Alignments.

An examination of external interests and policies must be prefaced by a few words on regional alignments. Post WWII alignments were clearly delineated for many years between communist and non-communist powers. This has changed in recent times due to the warming of U.S. and

Chinese relations, making the boundaries of regional interactive interests less clearly demarcated. Since at least 1945, the status of U.S. and Chinese relationships has frequently played a critical role in the alignments of all Southeast Asian actors.

Current political alignments in Southeast Asia include the United States and China backing the Association of Southeast Asian Nations, and the Soviet Union behind Vietnam.

2. China's Interests and Policies.

Current Chinese policy in Southeast Asia may seem puzzling to the casual observer who witnessed the support given by Beijing to Hanoi at the height of the Vietnam War. Today, the ally has become the enemy. Furthermore, China has come full circle from a position of supporting insurgent groups against the ASEAN governments, to presently supporting the Kampuchean insurgency against Vietnam and alignment with ASEAN. While seemingly contradictory this reversal of policy is consistent with China's long-range strategic interests.

China's interests in Southeast Asia have always been oriented around the guiding principle of keeping the region harmless to wider Chinese objectives. This has been traditionally expressed by their policy "to intervene in regional alignments seen as inimical to China." [Simon,

1982:41 This includes defeating attempts by extra-regional powers to use Southeast Asia in a strategy of encirclement and isolation.

When China's interests were threatened by the United States during the 1950s and 1960s, Beijing's policy was designed to undermine governments that supported the American power base. The retreat from Vietnam, the reduction of U.S. military forces in the region by the mid-70s, combined with normalization between China and the United States in 1979, decreased the threat posed by America and paved the way for better relations with the ASEAN countries.

Since China's interests are currently threatened by the Soviet-Vietnamese alignment, Beijing has focused its energies on undermining Hanoi, the regional power base of the Soviet Union. These policies have taken the form of "...unremitting hostility, maintaining military pressure on the Vietnamese and Laotian borders and continuing to supply, through Thailand, the Khmer Rouge-led resistance..."[Simon, (3 March) 1983:304] The Thai connection, and U.S. backing of Beijing's Kampuchean stance, has further increased the importance of China's current alignment with ASEAN.

A note of caution exists in this relationship, however. Although China is presently supporting ASEAN's position against Vietnam, such a stand could feasably be reversed given the right political motivations. The

potential threat of such a maneuver acts in part to encourage ASEAN in directions favored by Beijing. In this regard, any talk of possible bilateral negotiations between ASEAN and Indochina has been hastily reproved by Beijing as being against regional (read Chinese) interests at this time. Such communications carry implicit undertones of warning to ASEAN countries, that conditions could change in their relationship should ASEAN oppose China's wishes.

Nevertheless, ASEAN must keep a constant watch on both regional and international events to preclude being caught unawares on the wrong side of "Great Power" maneuverings. Even with this precaution, the eventual survival of Southeast Asian governments may one day rest on events external to their control or influence. The political maneuverings of China and the other "great powers" are indicative of the sometimes helpless situation in which Southeast Asia finds itself. Long-range planning by the ASEAN states must take China's shifting policies into account and not rely too heavily on the present atmosphere of political hospitality. For geopolitical reasons alone, China will always be a potential threat in all arenas, to the interests of Southeast Asian nations.

3. The Soviet Union's Position.

Soviet objectives in Southeast Asia have likewise remained constant over the years. They have sought to gain

influence and strategic position at the expense of all of the other powers of the region. On the party level, they have sought to weaken indigenous capitalist governments and their external backers by providing support to insurgencies wherever they could be developed. On the state level they have attempted to portray themselves as a benefactory nation, solely concerned with the development of peace, stability, and brotherhood in a hostile world.

The Soviet Union has played the power game in Southeast Asia from a geopolitical, rather than regional perspective. Paramount to Moscow's success has been their ability to limit the comparative advantage of both the United States and China in the region. This objective has been accomplished most handily since the 1975 retreat of American military power from mainland Southeast Asia, followed by the alienation of China towards Vietnam by 1979. As the primary supporter of Vietnamese expansionism since the 1978 Treaty of Friendship and Co-operation was signed, Moscow has maintained a prominent position in the region. The Treaty of Friendship authorized the Soviets to establish strategic military facilities throughout Vietnam and Indochina, thus allowing a significant extension of Soviet power and influence.

The Soviet presence in Indochina has increased the potential military and political threat to ASEAN from overt sources, but has decreased the previous threat of covert

insurgency. The trade-off has been comforting in some respects, yet alarming in others. From a strategic perspective, the Soviet presence poses a potential threat to free-world shipping lanes and the passage of vital supplies in time of war. On the other hand, the Soviet presence acts as a counterbalance to Chinese aspirations in the area. On a tactical level, Russian presence throughout Indochina increases the potential for conflict due to external pressures, while furthering the spread of foreign directed communism. Moscow's physical presence also acts to further their direct influence on regional events, while they assist Hanoi to maintain its iron grip on the enslaved states of Kampuchea and Laos. Many ASEAN members fear that the longer the Soviets remain in Indochina, the stronger their hold on Hanoi will become, eventually resulting in a puppet Indochinese bloc and a dominant Soviet voice in Southeast Asian affairs.

4. The United State's Interests and Policies.

U.S. objectives in Southeast Asia have traditionally been linked to both security and economic interests. Security interests include limiting the influence of the Soviets and their allies in the region, while maintaining rights of access to the region for itself and other allied powers. Economic interests include support for private Americans engaged in free market enterprise and the

development of interactive markets for the enrichment of all concerned. Since 1975, economic objectives have taken priority in American policy towards the area.

Since the mid-70s the United States has pursued a policy of lower military visibility in Southeast Asia. Washington has preferred to expand economic ties with the region while supporting local security efforts with military aid and political backing. This arrangement has been as well recieved by the members of ASEAN as it has with China. Accordingly, the lack of a threatening military appearance has often increased American credibility in the region. In this respect, the "...United States has made its policies subordinate to (and integrated into) its relations with the ASEAN countries and China." [Pike, (April) 1983:146] While not totally satisfactory from the standpoint of being able to directly influence regional events, Washington appears comfortable with this policy at this time. Failing confrontation with the Soviet Union on a global scale, American interests and policies will probably remain low-keyed in Southeast Asia for at least the remainder of this century.

F. SUMMARY.

The political arena of interactive national interests and policies accounts for the same type of fragility inherent in the military situation in Southeast Asia.

Currently the balance of power rests with the ASEAN countries and against Indochina and Vietnam, but there is no guarantee that it will remain so indefinitely. At this time no great changes seem likely because of almost universal acceptance of the status quo. It must be recognized however, that a frustrated, isolated Hanoi may someday become determined to redress this untenable situation. Therein lies the greatest possibility for increased instability and possibly outright war. In such a circumstance more equitable distribution of political power would have to be accomplished in order to preserve the peace.

IV. THE ECONOMIC ARENA

The last arena of interactive interests and policy to be discussed is the economies of ASEAN and Indochina. In this important arena, the balance of economic power in Southeast Asia is heavily weighted against the non-market economies of Vietnam and the other Indochinese states. A combination of prolonged wartime dependency and post-war emphasis on "socialist transformation" of the economy (from capitalism to socialism) have led to conditions of stagnation and near zero growth in these countries. Today, Indochina represents the depressing results of a non-market economy that has been driven in the past by ideology, rather than the laws of supply and demand.

On the other hand, the market economies of the ASEAN states have blossomed in recent years, enjoying unparalleled levels of regional growth. This has been accomplished through cooperative behavior, a belief in laissez faire and active participation in the greater world economy. ASEAN represents the epitome of a successful market economy.

While ASEAN's successes and Indochina's failures have been frequently attributed to the relative merits of their particular philosophies, the fact remains that lack of balance between the two economic spheres contributes to regional instability. Southeast Asia is a classic example of the "haves" and "have-nots." In this regard, the longer

this imbalance continues, the greater the potential for the militarily superior have-nots to remedy their problems through military means.

This chapter examines the economic dichotomy that characterizes Southeast Asia today. It explores the background of the region by comparing and contrasting the two opposing systems in terms of their evolution, current status, and individual national economies. International trade is addressed, along with foreign aid and interactive local trade. The chapter concludes with a few words on the prospects for increased bilateral or multilateral cooperation between Indochina and ASEAN.

A. REGIONAL ECONOMIC BACKGROUNDS.

The roots of both ASEAN's and Indochina's economic systems can be found in the post-WWII quests for independence and statehood in Southeast Asia. The ideals of nationalism motivated the political drive for country, while the communist methodology employed laid the framework for subsequent economic policies. In Indochina, for example, nationalist goals were used to mobilize the population while communism provided the mechanism to attain those goals. In the ASEAN countries, nationalist goals were achieved through mechanisms of both nationalism and capitalism. Although separate vehicles were employed to accomplish similar ends, the philosophy/ideology of the two

systems is incompatible. Nevertheless, though the present conflict of economic systems might be thought of as simply a fundamental difference between communist and capitalist methods, in actuality the difference is much more complex. The following examination of the development of the two economic systems should show some of the depth of this complexity.

1. Indochina: Dependency and Destitution.

As with the political and military arenas, any discussion of the economies of Indochina must be prefaced by recognizing the fact that Vietnam and the leadership in Hanoi dominate and control the economies of both Laos and Kampuchea. Vietnamese "advisors" are in physical attendance in the respective seats of power in both of these countries and clearly exert great influence on the daily and long-range policies of the (nominal) governments of Laos and Kampuchea. Therefore, for the purposes of this discussion, all references to Indochina will be inclusive, in acknowledgement of Vietnamese authority and government.

A major contributing factor to the present plight of Indochina has been the almost constant warfare that has been prosecuted within Indochinese territory for the last 40 years. For Vietnam, Laos, and Kampuchea this has meant not only having to cope with wartime destruction, but also having to depend on external powers for massive levels of financial assistance. The economies of Indochina are

heavily dependent on foreign economic aid. Beyond the fact that such dependence most certainly incurs political obligations as well as increases the national debt, such an arrangement has a debilitating effect on any country's sense of independence. Since 1978, Indochina has had to rely almost exclusively on the Soviet Union bloc for annual subsidies. Soviet aid to Vietnam alone since 1975 is estimated to total between \$4 and \$6 billion, and this support is continuing.[Pike, 1982/83:23] The result has been that the three Indochinese states have developed highly artificial economies with questionable indicators of real development. With this in mind, statistical indicators (when they are rarely made available) must be examined with caution, and cited with caveats to their reliability and validity. It is in this atmosphere of current uncertainty that Vietnam plods along towards an equally uncertain future.

The military victories of the national communist parties of Vietnam, Laos, and Kampuchea in 1975 and the subsequent Vietnamese dominance of Indochina by 1978 brought a central government into power which was ill prepared to remedy the economic problems of a post-war federation of three states. The same Hanoi leadership that achieved such impressive victories in war simply has not demonstrated the talent needed to win the peace. Many of the problems of

post-war Indochina can be attributed to the inability of the central government to deal with the complexities of peacetime administration. The economic sector has been one of the most visible examples of this failing. Admissions to this effect were made during the 1982 fifth national party congress in Hanoi. Vietnamese Communist Party Secretary-General Le Duan, in an uncharacteristically frank revelation reported that:

"...difficulties have also stemmed from shortcomings and mistakes of the party and state agencies, from national down to grass-roots levels, in economic leadership and management and in the running of our society. In certain fields, the shortcomings and mistakes in leadership and management have been the main causes leading to, or aggravating, the economic and social difficulties in the past years." [Thayer, (April) 1983:160]

Such open criticism directly attacking past actions of the ruling elite are unprecedented. This points out that the "old guard" in Hanoi, often hiding behind ideological dogma, brought Indochina to a virtual economic standstill between 1977 and 1979. Hard-line communist policies were dictated at this time by the power faction in Hanoi that Douglas Pike calls the "ideologues." [Pike, (May) 1983:17] The Hanoi ideologues instituted wide-ranging economic reforms throughout the "liberated" territories starting in 1975. This program of reformation involved at least two phases: "socialist transformation" designed to destroy the remaining "feudal" and "capitalist" elements in

the captive societies; and "socialist construction" based on centralized state control and planning.[Smith, 1983:1205] Neither of these strategies was very successful in motivating productivity and, combined with poor growing weather, flooding, and an occasional typhoon, led to near famine conditions throughout Indochina during 1977-78.

Economic and political oppression also accounted for the mass exodus of over a million people from Indochina between 1975 and 1979, many of whom came from the "socialist paradise" of Vietnam proper. The depressed state of Indochina's economy and the fleeing populace both peaked at opposite ends of the spectrum in 1978. Marginal improvements in living conditions since then have somewhat ameliorated the flow in recent years. Estimates of the numbers of "boat people" in 1982 were somewhere near 65,000 people, declining from approximately 76,000 in 1980, and 75,000 in 1981.[Pike, 1983 Communist Yearbook:225] Ironically, Indochina has also benefited from the massive refugee exodus by money sent to relatives still inside Indochina from exiled refugees which accounts for the largest source of hard-currency inside Vietnam.[ibid...:224]

One of the more disasterous programs that Hanoi instituted in an early effort to socialize Indochina's economy was that of hasty collectivization. Hanoi created what are now called New Economic Zones (NEZs) in an attempt

to bring food productivity under direct government control and force the development of the vital agricultural resources of south Vietnam. These are rural collectives wherein whole families have been relocated from urban centers and have been assigned jobs working in agriculture. Self-sufficiency on these collectives is encouraged as the State simply cuts government subsistence after about a six month adjustment period. In practice, State taxes and the costs of daily living make minimal existence in the NEZs a problem. Without outside business interests, many of the NEZ families are barely able to eke out a minimal standard of living.[Quinn-Judge, (June) 1983:25]

Since 1979 and the near catastrophic failures of socialist transformation, the Hanoi leadership have been swayed by more moderate voices concerning economic matters. Douglas Pike refers to this faction as the "pragmatists." [Pike, (Summer) 1983:17] Under the influence of the pragmatists, Hanoi embarked on several new courses designed to liberalize economic policies and promote vitally needed growth in the faltering structure. Among the most important policies adopted in the agricultural field has been promotion of the "contract system" of cooperative land tenure. This is basically a decentralization of the economy which allows contracted families to sell all production that is beyond the state production quota. This serves to provide incentive to the

farmer to work harder for state as well as personal profit. Additional new policies aimed at boosting industrial output include piecework rates for laborers, bonuses, and increased managerial autonomy.[Thayer, (11-14 April) 1983:158]

State attempts to regulate all aspects of the economy have also encouraged the development of a significant counter-economy in Indochina in the form of "black market" operations. An indicator of the strength of the black market in Vietnam is that 50 percent of wholesale and 60 percent of retail trade is reportedly controlled by private (non-government) traders.[Chanda, (6 October):48] The situation is perceived to be such a serious threat to the socialist economy that Hanoi has on occasion come out with public castigations indicating that participants in the black market are:

"...depriving the state of its ability to control goods, money, markets and prices; creating many difficulties in production and livelihood; and making quite a few cadres, members and state personnel depraved."[ibid.,:48]

Nevertheless, the growing underground market economy continues to thrive and make inroads on even the most socialized areas of pre-war Indochina. As put by Jacques de Barrin in his conclusions concerning Vietnam's new economic pragmatism:

"One thing is certain: Recourse to a market economy is more significant above the 17th parallel than advances in socialized agriculture below it." [Barrin, (April) 1983:31]

Indochina finds itself torn today between trying to preserve the validity of an orthodox non-market socialist system while sustaining pressure to improve its economy pragmatically through proven capitalist mechanisms. The internal friction between the ideologues and the pragmatists in Hanoi is substantial as a result of this division. The question is, will the communist leadership be able to withstand the current trial-by-fire, maintain their hold on the country, and still bring Indochina into the modern economic world? Only time will tell.

2. ASEAN: Growth and Stability.

The economies of the ASEAN states have developed in significantly different directions. Almost all of these nations have emerged from an orderly and lawful transition of power between colonial and nationalist governments. The two exceptions to this are Thailand and Indonesia. Though the Thai economy was clearly dominated by the West during the colonial period, Thailand was never a metropolitan colony. Indonesia was a colonized territory, coming into existence not through lawful transition but under conditions of violent revolution similar to those experienced by Indochina.

The fundamental difference-- between the economic development of Indonesia and Indochina was the ideological methodology. Communism and Nationalism were concepts that were never wedded in Indonesia as they were in Indochina. On the contrary, Indonesia's periodic flirtations with communism and the social disasters that accompanied these experiences have strengthened that country's aversion to communist methods and to the people that espouse them.

In some respects, an aversion to communism has been as much a part of the evolution of all ASEAN economies, as has the processes of nationalism themselves. All of these countries have historical reason to fear communism in any form.

Additionally, participation in some form of market economy has always been a natural method of doing business in Southeast Asia. While much of ASEAN's structural foundation can be attributed to western colonial influence, the philosophy of a free-trading/market economy is one of long-standing precedence in Southeast Asia.

Since its inception in 1975, ASEAN has formed the backbone of progressive trade in Southeast Asia. In 1978, the same year of Indochina's greatest desperation, ASEAN's total Gross National Product (GNP) was over 116,000 dollars (U.S.), with per capita GNP averaging about 480 dollars. Currently, ASEAN ranks high among the Less Developed Countries (LDC) in terms of real average economic growth.

ASEAN's political and economic development has borrowed from western standards and has improved on them. In an effort to reduce regional strife and increase economic growth, ASEAN has established a record of progress unparalleled in the recent history of the world. ASEAN's performance as an organization surpasses even that of the European Economic Common Market in terms of real growth over a comparable period of development. Since the founding, the ASEAN states have collectively achieved between 6 and 11 percent average annual growth in GNP and are the only group of nations on the globe in which real GNP is doubling every seven to twelve years.[Pike, (Summer) 1983:20] As these figures imply, ASEAN's collective operations dominate the economies of Southeast Asia, including those of Indochina.

B. COMPARATIVE ASPECTS OF REGIONAL ECONOMIES.

Regional contrasts between ASEAN and Indochina are apparent in many aspects of the two regional economies. Contrasts also exist between the regional economies and those of the individual members of each system. Given the degree of such diversity, it is remarkable that cooperative behavior can be achieved at all in Southeast Asia. The following discussion explores these contrasts.

1. Demographic and Geographic Indices.

An examination of the geography of Southeast Asia shows that the diversity of land areas throughout the region

creates special problems unique to each of the local governments. Land masses range from island archipelagos to mainland peninsulas and from sea level sand spits to towering mountain chains. Indonesia has the largest land area but is divided into over 14,000 islands, making adequate government a logistics nightmare. Singapore occupies the smallest land area, but has the largest population density of the region. The second smallest nation, Brunei, has the tiniest population but is the wealthiest of the lot.

The combined states of Vietnam, Laos, and Kampuchea occupy over 50 percent of peninsular Southeast Asia (not counting Burma), yet they account for the smallest total population in the region. ASEAN countries have a total population of over a quarter of a billion (approximately 270 million), as opposed to Indochina's approximate 67 million. This statistic is especially ironic considering that the major threat of expansion in recent years has been from Indochina.

Table IV-I is a comparative listing of major demographic and geographic indices of the region.

TABLE IV-I

BASIC DEMOGRAPHIC AND GEOGRAPHIC INDICATORS

Country	Area (sq.kms)	P o p u l a t i o n			Adult Literacy (%) 1980	Life Expectancy (%) 1981
		Total (millions) mid-1982	Density (persons/ sq. km)	Growth 1975-80 (% per annum)		
<u>INDOCHINA</u>						
Vietnam	332,568	56.6	170.19	2.30	87	63
Laos	236,798	3.7	15.25	2.39	44	43
Kampuchea	181,035	6.5	35.91	1.01	--	37
<u>ASEAN</u>						
Thailand	513,998	49.8	96.89	2.34	86	63
Malaysia	378,508	14.7	38.84	2.53	60	65
Singapore	585	2.5	4,273.50	1.21	83	72
Indonesia	1,904,333	151.3	7.95	1.70	62	54
Philippines	299,681	51.6	172.18	2.67	75	63
Brunei	5,765	0.2	34.69	2.40	45	66

SOURCES: For area, Hammond World Atlas, 1980; population totals, Far Eastern Economic Review 1983 Yearbook; density of populations was computed from area and total columns; growth of populations is from The Far East and Australasia 1982-83, :29; literacy and life expectancy data is from The World Bank, World Development Report 1983.

While the density of population column reflected in TABLE IV-I gives a general picture of the land area available to Southeast Asians, it does not show the true distribution of the population today. Urbanization has hit

most of the economies of the region as jobs, social upheaval, and the prospects of a higher standard of living make movement to the city an increasingly attractive proposition. Added to the demographic impact of this migration in Southeast Asia is the fact that urbanization means movement is usually focused on one major city in each country; typically the capital. In most cases, therefore, urbanization statistics are a good indicator of the percentage of a nation's total population that resides in the capital city.

Most of these growing metropolitan seats of government are unable to handle their expanding burdens. An example of this is Thailand's capital city of Bangkok. Bangkok presently supports a population of well over 6 million. This is an increase of over 5 million people since the late 1960s, most of which are currently occupying the same space as 1 million did 20 years ago. Many of these people are unemployed and without adequate housing, as jobs are insufficient and housing space limited.

Over population in all of the capitals of region has led to a wide variety of social problems. Alain Cass, reporting on Vietnam's Ho Chi Minh City, indicates that:

"At night hundreds of pavement-dwellers, people with no houses, sleep in rat infested streets reminiscent of Calcutta. Everything is scarce: food, drugs, petrol, spare parts, jobs. There are no reliable unemployment statistics but by day the

streets are full of young-- people cycling to and fro." [Cass, 1982:19]

The lack of adequate housing has caused what Donald Fryer calls the "squatter" phenomenon. A large percentage of recent arrivals to the cities are landless "squatters" that are jammed together in slum areas with densities that sometimes reach as high as 5,000 persons per hectare. [Fryer, 1979:98] These slums are often lacking adequate light, water, or sanitation services, and generally are considered to be a serious menace to society. Crime and disease both breed in these environs, as adequate government is difficult to establish in these areas.

Apart from Singapore which is 100 percent urbanized already and has been able to solve many of its urban problems, Southeast Asia's urbanization in 1981 ran from 14 percent of the total population in Laos (up from 8 percent in 1960) to 37 percent in the Philippines (up from 30 percent in the same period). Vietnam was estimated to have 19 percent of its people living in the urban sector in 1981 (up from 15 percent in 1960); Thailand with 15 percent (up from 13 percent); Indonesia with 21 percent (up from 15 percent); and Malaysia with 35 percent (up from 30 percent in 1960). [The World Bank, 1983:190-191]

2. Energy Production and Consumption.

In terms of standards of living, Singapore's advanced state of controlled urbanization shows a

correspondingly high level of energy consumption and income per capita while the rest of the region, with the exception of Brunei, lags far behind. Though complete data is lacking on Brunei, it is a significant net exporter of oil and has a per capita income which surpasses even Singapore's.

In many of the rest of the countries of the region, however, the rural population and the urban poor have limited access to energy resources including electric power and are denied many of the conveniences of modern civilization. This circumstance is especially true of the poorly developed Indochinese states who, for example, must import 100 percent of their energy petroleum needs from the Soviet Union and allied communist bloc nations. This totalled more than 1.65 million tons of petroleum products in 1982, 24,000 tons over the amount imported in 1981. Even at this rate, Hanoi reported that the fuel available was 20 percent below their minimum needs.[Quinn-Judge, (2 February) 1984:47] The limited supplies and the need to conserve fuel is reflected in the fact that Vietnamese factories often operate at less than 50 percent capacity and almost all individual transportation is done by bicycle.

Laos and Kampuchea, in turn, receive their allotments of petroleum through Hanoi. This, in all probability, makes their oil scarcity even more critical.

Meanwhile, Indochina's hopes to become self-sufficient in oil by 1985 based on deposits off southern Vietnam in the South China Sea have not yet been realized. Though an American oil company reported a flow of 2,400 barrels a day from an off-shore site south of Ho Chi Minh (Saigon) city just before the end of the 1975 war, joint Soviet-Vietnamese efforts to exploit this potential have so far been unsuccessful. This may be changing, however, as Vietnam has at last announced a Soviet oil strike of unspecified value on its southern continental shelf.[Quinn-Judge, (June) 1984:101] Though potentially very important for the future development of Indochina, it remains to be seen whether Moscow and Hanoi can effectively exploit the new found resource.

ASEAN countries are not so limited in the sources or quantity of their energy supplies. Malaysia, Brunei and Indonesia are all net exporters of oil and liquid natural gas (LNG), and Indonesia is rapidly becoming the world's largest exporter of LNG.

Malaysia produced more than 300,000 barrels of oil per day (b/d) in 1982. Estimated oil reserves are around 2,500 million barrels.[Fisher, "Malaysia" 1983:732] Malaysia also has natural gas deposits from which they are currently producing more than 1.7 million metric tons for export.[FEER, 1983 Yearbook:199]

Brunei produced more than 175,000 b/d in 1983. Its estimated reserves are more than 1.6 million barrels.[Weatherbee, (June) 1983:725] At the current rate of production, this should give them at least a 20 year reserve. Brunei is also the fourth largest supplier of LNG in the world. Exports in 1982 totalled more than 12.6 million cubic meters of liquified gas.[Kulkarni, 1984:31]

Indonesia produced more than 584 million barrels of oil in 1981. They were estimated to have more than 16,000 million barrels of recoverable reserves of oil, and more than 34,700,000 million cubic feet of gas reserves in 1983.[Buchanan, 1983:522] In addition, new fuel discoveries are being made almost daily. At the current rate of production, the known reserves should give Indonesia about 26 years of oil, and about 50 years of natural gas.[ibid., :522]

Thailand is also involved in developing its natural gas resources in the Gulf of Thailand, reserves of which are estimated at 320,000 million cubic meters. Production in 1982 neared 6 million cubic meters per day.[Fisher, "Thailand" 1983:1125]

Profitable development of natural gas resources may offset the increasing energy import problems that face both Thailand and Indonesia. While in the rest of ASEAN energy production exceeded energy consumption between 1974 and 1980, Thailand and Indonesia have been slipping behind.

This is especially critical in Thailand's case, where energy imports are nearing 50 percent of its total merchandise imports. Under these conditions, Bruce Glassburner has suggested in his paper on economic prospects for Southeast Asia that Thailand, Indonesia and the Philippines may be facing severe balance of payments pressures in the future brought about by the rising cost of energy, specifically oil.[Glassburner, 1982:36]

Concerning hydroelectric power, Laos is the only one of the Indochinese states that has self-sufficiency in electric power. Laos is in fact a net exporter of electricity to Thailand which accounts for its principle foreign-exchange earnings. Laos sold approximately \$44 million worth of electricity to Thailand in 1983.[Sricharatchanya, 1983:84] Since this is the major export earner for Laos and supply is limited, it is probable that the local population sees very little of either the electricity or of the profits made from selling it. While Indochina has several hydroelectric projects underway to remedy their energy deficits, none of these is expected to improve the quality of life in Indochina much before the end of the decade.[Quinn-Judge, (May) 1984:81]

Table IV-II shows the current available statistical array of energy consumption and production for the region.

TABLE IV-II...

COMMERCIAL ENERGY PRODUCTION AND CONSUMPTION

Country	Average Annual Energy Growth Rate (%)				Energy Consumption per capita (kgs.of coal equivalent)		Energy Imports as % of Merchandise Exports	
	Energy Production		Energy Consumption		1960	1980	60	80
	1960-74	74-80	60-74	74-80				
<u>INDOCHINA</u>								
Vietnam	0.0	6.6	11.3	-1.3	95	148	--	--
Laos	--	9.3	13.8	16.2	16	127	--	--
Kampuchea	--	--	-5.1	44.0	19	128	9	--
<u>ASEAN</u>								
Thailand	28.3	-2.5	16.3	6.5	63	370	12	44
Malaysia	36.8	24.1	4.1	7.7	616	881	2	13
Singapore	--	--	10.1	6.6	2,111	8,544	17	36
Indonesia	8.5	5.9	4.3	9.0	129	266	3	8
Philippines	3.0	26.2	9.7	4.4	159	380	9	41

Note: Brunei is not included due to lack of available data.
 SOURCE: The World Bank, World Development Report 1983.

As an indicator of progress in the development of electricity on a regional level, Thailand, Indonesia, the Philippines, and Vietnam all reported increases in hydroelectricity output of over 50 percent between 1973 and 1981. [U.N., 1983:75] Thus, while accounting for inflation, one could assume from the rapidly increasing per capita

consumption of energy across-the-board in Southeast Asia that prosperity levels are rising in all of the countries of the region.

3. Income, Growth and National Debt.

Excluding Kampuchea's per capita GNP and average income levels (which are unknown but would probably effect little change on overall Indochinese totals), Indochina's per capita income level and aggregate GNP are a little over 3 percent of ASEAN levels. While per capita income varies considerably between ASEAN members, the highest individual Indochinese GNP, Vietnam's, is only marginally above that of the lowest ASEAN member, Brunei. This comparison is deceptive, however, as Brunei also has the highest per capita income of any nation in Southeast Asia.

In terms of income, Indochina ranks among the poorest countries in the world. Kampuchea is rated by the World Bank as being "the" poorest. Inflation in Vietnam is running anywhere from 100 to 200 percent per year, and although figures are not available for the rest of Indochina, it can be assumed that their inflation situation parallels Vietnam's. This is conservatively more than double the comparable aggregate ASEAN rate of inflation.

Vietnam's national debt, both in hard currency and other aid, ranges from \$4 to \$6 billion with the Soviet Union while hard currency debts to non-communist countries stands at about \$1.3 billion.[Pike, 1982/83:23] Debt

payments to non-communist countries in 1982 has been estimated at close to \$238 million.[McWilliams, 1983:65] A combination of rescheduling, refinancing, and postponements has reduced payments by nearly \$21 million from 1981 obligations, but this is still not enough. Vietnam's debt repayment schedule is over 200 percent of their total annual hard currency export earnings and remains beyond their ability to pay.[ibid, :65.] Concerning Vietnam's outstanding debts to the Soviet Union and CEMA (Council for Mutual Economic Assistance) Hanoi has even less ability to make good on these obligations. Since at least 1981, however, Vietnam has been exporting human labor to help offset their growing financial tab. Current estimates of what some have called "Vietnamese slave labor" presently working in CEMA countries ranges anywhere from 100,000 to 500,000 people.[Indochina Chronology, (April-June) 1983:6] Reportedly, a percentage of the "salaries" of these laborers is credited towards paying off Vietnam's national debts. Additionally, a small portion of their debt is compensated for by allowing the Soviet's the use of port facilities on Vietnamese soil.

Laos has non-communist foreign debts standing at greater than \$250 million (1980 figure). Laos' real GDP in 1980 was only \$300 million.[Burley, 1983:708] Although Laos' total hard-currency debt to the Soviet Union is

unknown (Laos' last reported total foreign debt in 1978 was \$81.16 million), the rate of accumulation was retarded by 1981. Moscow ended commodity assistance to Laos and instituted aid in the form of annually renegotiated trading arrangements in non-convertible currencies. Vietnam also subscribes to this arrangement but claims that its services to Laos between 1976 to 1985 are worth \$146.7 million. [Quinn-Judge, (October) 1983:50]

Kampuchea is in debt to Vietnam to the tune of at least \$50 million and owes the Soviet Union at least \$315 million (based on totals to 1980). Non-communist aid to Kampuchea (most of which does not have to be repaid) since 1979 totals close to \$1 billion. [Richardson, (5 February) 1982:22-23]

Among the ASEAN countries, statistics for 1981 showed Thailand running a foreign debt of \$5.169 million; the Philippines, \$7,388 million; Malaysia, \$4,627 million; Indonesia, \$15,529 million; and Singapore with \$1,318 million. [World Bank, 1983:178-179]

Table IV-III shows some currently available income and growth indicators for Southeast Asia.

TABLE IV-III--
INCOME AND GROWTH INDICATORS

Country	World Bank Ranking 1983	Average Annual Income per capita (U.S.\$)	GNP per capita		Inflation (CPI) 1981
			Dollars 1981 (billion U.S.\$)	Avg. Annual Growth 1970-81 (%)	
<u>INDOCHINA</u>					
Vietnam	20	160	4.9	2.4	200
Laos	3	90	.3	2.0	n.a.
Kampuchea	1	n.a.	n.a.	n.a.	n.a.
<u>ASEAN</u>					
Thailand	48	815	39.29	18.08	12.7
Malaysia	77	1,797	25.71	11.20	9.6
Singapore	93	4,071	12.39	14.80	8.2
Indonesia	41	520	84.00	7.50	7.1
Philippines	49	815	10.90	6.00	12.4
Brunei	--	22,000	.46	----	9.1

SOURCES: For Brunei income, Far Eastern Economic Review, 15 March 1984, p. 58; Brunei, Vietnam & Laos GNP, C. I. A., The World Factbook-1982; Brunei inflation, Far Eastern Economic Review 1983 Yearbook; for Laos growth rate, Defense & Foreign Affairs Handbook 1981; inflation CPI for Vietnam, Douglas Pike, Pacific Defence Review Annual 1982/83; for the rest, The World Bank, World Development Report 1983.

4. Structure of Production.

While statistical data is often not available from the Indochinese states concerning the structure of their

production, the few facts that are known paint a fairly good picture of the general direction of their economic activities.

All of the Indochinese countries are heavily involved in agricultural trade. Since 1979, the major emphasis of all three nations has been to reduce ideological constraints on management, and stimulate growth in the agricultural sector. In 1981, Vietnam reported that 38.4 percent of its GDP was committed to agriculture. This is probably a fair representation of the general direction of production for Laos and Kampuchea also.

Apart from rice, additional significant agricultural industry for Vietnam includes: natural rubber, tea, coffee, spices, palm oil, foodstuffs, other farm products, and fish. Fishing accounts for a significant share of Vietnam's export credits. While the total sea catch in 1983 totalled more than 511,000 tons (up 15 percent over 1982), a good proportion of this is sold to non-communist countries. In 1982, Vietnam earned more than \$50 million from its shrimp sales.

Agricultural products of Laos include: rice, timber, wood products, coffee, and undeclared products of opium and tobacco; for Kampuchea: rice, natural rubber, jute, pepper, and wood products. Due to the social and political disruption over the last 30 years, neither of these countries has been very successful in maintaining a

consistent level of agricultural production. Reliable growth statistics, if any were to become available, would probably be quite low.

In the industrial sector, the second largest area of the GDP, Vietnam has experienced relatively low rates of growth due to problems of administrative incompetence, poor labor incentives, halting reconstruction of wartime damage, and the lack of energy resources to run factories at productive levels.

Vietnam does have a fairly well established coal industry. Proven coal reserves in Vietnam total approximately 130 million tons, sufficient to last another 20 years at current production levels. Although Hanoi has had problems in recent years meeting production targets, administrative changes may improve past performance. Exported coal is one of Vietnam's largest convertible-currency earning product, accounting for more than \$40 million in 1982.[Quinn-Judge, (February) 1984:47]

Vietnam has deposits of other minerals such as tin, tungsten, zinc, iron, antimony, chromium, apatite, and bauxite. None of these resources is being significantly exploited at this time.

Nguyen Van Canh in his book on Vietnam Under Communism, points out that in the manufacturing sector, the industrial north is still in the process of recovering from

the damage it sustained during the U.S.-Vietnamese war, and that only small supplies of minor items such as "...cotton cloth, soap and bicycles are now being produced in quantity that attempts to meet the people's needs." [Van Kanh, 1983:27]

Laos and Kampuchea are faced with many of these same problems in their industrial and manufacturing sectors, but have even less ability to cope with them. Laos' major industrial product is tin. Proven reserves have been documented at 65,000 tons, but actual reserves may run as high as 700,000 tons. Other mineral deposits such as iron ore, lead, zinc, coal, sylvite, and potash are present in Laos but as yet are undeveloped. Manufacturing in Laos and Kampuchea is insignificant and, in the case of Laos, accounts for less than 5 percent of the GDP. [Burley, 1983:707]

Besides Vietnam, only Laos has a viable stake in the service sector of the GDP. Though statistics are again unavailable, Laos has significant exports of electric power. Hydroelectric power production from the Laotian Nam Ngum Dam totals more than 600 million kilowatt hours per year. As indicated previously, over 90 percent of this power is exported to non-communist nations for convertible-currency. [ibid., :707]

Vietnam's service sector is accounted for under its so-called aid programs to the rest of Indochina. According

to Hanoi, Vietnam sends more than 900 "specialists" to Laos annually and assists in more than 100 civilian developmental programs including war reconstruction, building highways, assisting transportation, and general administration. Aid provided to Laos from 1976 to 1985 is reported at more than \$146 million. While no breakout of specific tasks has been reported for Vietnamese assistance to Kampuchea, similar projects can be assumed. Kampuchean officials have reported a total of \$118 million in aid from Hanoi (much of which will not be repaid) between 1979 and 1980.[Quinn-Judge, (October) 1983:50]

ASEAN countries are also heavily involved in agriculture, but with the aid of technology are increasingly trying to shift their base of production towards more industrialization and manufacturing.

Thailand's traditionally agricultural economy is a typical example of this progression towards increased industrialization. Up until 1980, agriculture dominated the Thai economy with rice as the primary cultivated crop. In 1981, Thailand's GDP share of industrial production overtook that of agriculture by almost 4 percent. Nevertheless, the rice harvest in that same year reached a record high of 3.06 million metric tons.[Dixon, 1983:1131] While the percentage of industrial growth between 1970 and 1981 showed almost twice the comparable agricultural levels, harvest

performance does not seem to have been adversely affected. Thailand remains a significant net exporter of rice with this commodity accounting for over 17.2 percent of total exports in 1981.[ibid.,:1131] Other important agricultural products include cassava, jute, corn, sugar, rubber, fish, and wood products.

Thailand's industrial sector is mostly involved with the processing of primary produce in small-scale plants. Improving methods of standardization, and management practices should act to consolidate individual efforts over a period of time and contribute towards increased industrialization in the future.

Manufacturing has also expanded in recent years and is competing with agriculture for proportionate shares of the GDP. Textiles are the greatest contributor to this growth market, accounting for 22.1 percent of 1981 exports.[ibid., :1134]

Services, mostly in the form of tourism and entertainment, remain a strong sector of the economy accounting for the highest share of the Thai GDP in 1981.

Energy is a major source of concern for Thailand's economy as Bangkok currently imports over 80 percent of the nation's needs. To remedy Thailand's energy problems, Bangkok is attempting to exploit large natural gas deposits located off-shore in the Gulf of Thailand. Production in 1982 was estimated at 200 million cubic feet per day. While

the majority of this gas will eventually be reserved for export, Thailand plans to convert local electricity generating plants from oil to gas, making a sizeable dent in their current dependence on external sources for this resource.[ibid., :1135]

Malaysia has achieved a fairly high level of industrialization in recent years. This has been largely the result of exploitation of their tremendous hydrocarbon wealth. Manufacturing has also been expanding, however, and accounts for the largest percentage growth of the GDP in the last decade. Prior to the development of Malaysia's oil and gas industry, the agricultural sector dominated the GDP. The production of natural rubber and palm oil still accounts for nearly a quarter of the present GDP share. Malaysia remains the world's largest exporter of both of these commodities.[Krause, 1982:20]

Singapore has achieved almost total industrialization. It has become the largest single entrepot and service center in Southeast Asia. In this respect, all of the other countries rely on its industrial capacity to serve their economic interests. Singapore has become the great middle-man in the area.

The largest single source of Singapore's income is that of services. In recent years these services have focused more on high yield endeavors such as finance,

insurance, and real estate, while-- moving away from less profitable enterprizes such as retail and wholesale trade. Manufacturing has also been on the rise, accounting for about one third of the total GDP in 1981. Manufacturing in Singapore appears to be retreating from traditional labor-intensive products, and advancing towards skill-intensive industries.[ibid., :19]

Indonesia has traditionally been the most economically suppressed country in ASEAN and has had the furthest distance to travel in its attempts to modernize. Since it has begun to reap the profits of its substantial oil and gas deposits, industry has become the largest sector of its GDP. Manufacturing has also shown significant development in recent years accounting for the highest percentage of growth in the economy.

The Philippines has recently moved into third place (it was second in 1979) in ASEAN concerning industrial share of the GDP. In 1982, it was second only to Singapore in industrial development. The Philippines still holds a substantial position in the manufacturing sector with more than 25 percent of the total GDP accounted for. Agriculture has fallen in recent years and now totals less than 23 percent of GDP. According to Lawrence Krause, construction has been the fastest growing sector in the Philippine economy.[Krause, 1982:20]

Table IV-IV shows the available regional statistics concerning the structure of production.

TABLE IV-IV
STRUCTURE OF PRODUCTION, 1981

Industry by percentage								
Agriculture		Industry		Manufacturing		Services		
Share of GDP 1981	Est. Growth 1970-1981	Share of GDP 1981	Est. Growth 1970-1981	Share of GDP 1981	Est. Growth 1970-1981	Share of GDP 1981	Est. Growth 1970-1981	
<u>INDOCHINA</u>								
Viet.	38.4	3.7	27.8	1.85	16.4	--	7.8	--
Laos	--	--	--	--	--	--	--	--
Kamp.	--	--	--	--	--	--	--	--
<u>ASEAN</u>								
Thai.	24	4.5	28	9.9	20	10.3	48	7.5
Mala.	23	5.2	36	9.3	18	11.1	41	8.5
Sing.	1	1.7	41	9.0	30	9.7	58	8.5
Indo.	24	3.8	42	11.2	12	13.9	34	9.5
Phil.	23	4.9	37	8.4	25	6.9	40	5.3

Note: The sole product of Brunei is petroleum, no other industry is of any consequence.

SOURCES: The World Bank, World Development Report 1983.

5. The Food Dimension.

Increased food production remains the primary objective of the government(s) of Indochina. Consistent shortfalls in agricultural production have plagued the communists since their take-over in 1975.

For a variety of reasons, annual food production in Vietnam has been at least 15 to 20 percent below the country's basic needs during the last decade. Though Hanoi claims that Vietnam became self-sufficient in food by 1982, imports of nearly 200,000 tons of grain were reported by the International Monetary Fund for that year.[Quinn-Judge, (February) 1984:46] Reported grain production in 1983 neared 17 million tons, up from 16 million tons in 1982, and 15 million tons in 1981. Nevertheless, rice allotments per individual in 1983 were estimated at less than 5 kilos per month. With other nutritional input, food availability was estimated at less than 2,000 calories per day per person, less than minimum nutritional needs.[Pike, 1982/83:224]

Additionally, though many forecasters in the West have pointed to improved grain harvests in recent years as evidence of Vietnam's salvation, Nayan Chanda indicates a basic fallacy with this thinking. Chanda postulates that even if Vietnam reaches its food production targets in coming years and becomes a net exporter of food, Hanoi still would not be meeting the basic nutritional needs of the

people, nor even achieving the level of nutrition of pre-war years. He indicates that Vietnam has been exporting high-grade rice for some time, selling it for profit and then importing a larger quantity of "broken rice" for its own consumption. Chanda feels that self-sufficiency at this time would simply mean a reduction of low grade rice imports, and only a "marginal improvement" in the general Vietnamese diet.[Chanda, 1984:29]

In addition to Vietnam's present food dilemma is the fact that future populations will be even more demanding. The population of Vietnam is expanding at an annual rate of nearly 15 percent, rendering an additional 1.5 million mouths to feed each year.[Pike, 1982/83:224]

Laos has also claimed self-sufficiency in food since at least 1980. In fact, though rice production in the last three years has been reported at over 1 million tons, Vientiane still imports more than 30,000 tons of rice annually from Thailand.[Chanda, (August) 1983:38]

Kampuchea still faces the spectre of starvation. Predictions of food production in 1983 indicated at least a 100,000 ton deficit. Annual massive food aid is still necessary to avert widespread death due to starvation. As it is, malnutrition and disease are rampant in this country. A recent U.N. study concluded that as much as 60 percent of

rural Kampuchean children are suffering from malnutrition.[Becker, 1984:47]

Food shortages in the ASEAN countries is also a matter of some concern. Though not a crucial matter at this time, the ASEAN countries fear that escalating population growth will result in food demand outpacing production.

Though not reflected in the available statistics, Indonesia and the Philippines have both had problems in this regard. According to a United Nations report in 1982, neither country was producing or importing sufficient food to meet the caloric requirements of their populations.[Facts On File, 1982:161] It has been suggested that should this situation continue beyond social upheavals, these nations run the risk of a foreign exchange crisis that would in turn inhibit local economic growth.

With the exception of Thailand, all of the ASEAN states are net importers of food. Indonesia is the largest importer of rice in the world having bought nearly one-third of the rice available on the international market in recent years.[Glassburner, 1982:41] Thailand, on the other hand, is one of the world's largest suppliers of rice, much of which is shipped to other ASEAN members.

Though apparently not a concern at the moment, the possibility of a food crisis must always be a consideration of ASEAN governments. Future population explosions and/or the inability of ASEAN countries to produce or import

necessary staples could threaten the tenure of this group of nations at almost any time. A food crisis, more than any political threat, could be the greatest single danger to the future peace and stability of Southeast Asia.

Table IV-V shows key agricultural, food production, and nutritional statistics for Southeast Asia to 1980.

TABLE IV-V
ASPECTS OF AGRICULTURE, FOOD PRODUCTION AND NUTRITION

Country	Index of Production per capita, 1980 (1969-71=100)		Daily per capita Calorie Supply		% of Workforce	
			As % of Re-		Employed in	
	Agriculture	Food (net)	Total 1980	quire- ment 1980	Agriculture 1960	1980
INDOCHINA						
Vietnam	108	107	1,977	90	--	71
Laos	105	103	1,829	97	83	75
Kampuchea	39	39	1,767	88	82	74
ASEAN						
Thailand	121	125	2,308	104	84	76
Malaysia	114	124	2,625	121	63	50
Singapore	163	166	3,158	134	8	2
Indonesia	109	112	2,315	110	75	55
Philippines	115	114	2,275	116	61	46

SOURCES: For personal production data, Europa, The Far East and Australasia 1982-83, :36; the rest from The World Bank, World Development Report 1983.

C. INTERNATIONAL TRADE.

Indochina's trade patterns have undergone considerable change over the last 30 years. Many of the early avenues of trade were determined by colonial ties and wartime necessity. France and Japan were among the main trading partners for this area prior to 1954. As these ties were severed during the late 50s and early 60s, new trading partners in the form of the United States, China, and the Soviet Union began to emerge. This was relatively short-lived, however, as the communist seizure of power in Indochina began to narrow the field to the two communist giants and a few non-threatening capitalist states.

By 1976, Vietnam relied on the Soviet Union for more than a third of its imports. Japan was also an important source of Vietnamese imports, accounting for almost a quarter of the total incoming commodities. Principle export partners for Vietnam at this time included: the Soviet Union (37 percent), Japan (21 percent), Singapore (11 percent), and Hong Kong (10 percent). After the 1978 Vietnamese invasion of Kampuchea, access to western markets was temporarily restricted, mostly due to U.S. and ASEAN political pressures. This resulted in the Soviet Union assuming almost 60 percent of Vietnam's exports and 66 percent of their imports in 1978.[Smith, 1983:1212]

While keeping Vietnam barely afloat, increased reliance on non-convertible currency trade with the Soviet Union deprived Vietnam of vital cash and acted to drive them further into debt (with their victory in 1975, Hanoi inherited a \$570 million trade deficit). Without convertible funds, Vietnam had no way to pay off its already excessive trade deficits with the West while debts to the Soviets continued to mount. By 1979, Vietnam's trade deficit amounted to more than \$778 million with exports at only \$420 million and imports at around \$1,198 million.[ibid., :1212]

Hanoi realized that something had to be done about their growing inability to pay their debts, both to communist and non-communist trading partners. Therefore, by 1979 they launched a concerted effort to increase their trade with capitalist nations and reduce their dependence on trade with socialist countries. However, this has been only partially successful in solving their problems.

Though technically still under international sanction for its continuing occupation of Kampuchea, Vietnam reestablished many of its pre-1978 contacts with western markets during the early 80s. In many cases, this has been done through middleman re-exporters in Singapore and Hong Kong. In fact, Hanoi's current major non-communist trading partners are Japan, Hong Kong, and Singapore, with the later two often fronting for other countries.[Lauriat,

1983:82-83] Among the other Asian countries who deal with Vietnam through Singapore and Hong Kong are China, South Korea, Taiwan, and Australia.[Rees, 1984:56-57] Western European trade with Vietnam, usually conducted through either Singapore or Hong Kong, has included West Germany, France, Italy, Netherlands, Denmark, Great Britain, and Ireland.[Chanda, (November) 1979:48] The United States also conducts trade with Vietnam through third-party sources.

Significant Vietnamese exports to Japan include seafood (totalling \$50 million in 1982), and coal. Of 800,000 tons of coal exported in 1982, 700,000 tons went to the West, primarily Japan. Since 1982, however, South Korea has been taking an increasing share of Vietnam's coal. This arrangement has helped to offset Japan's reduced demand due to technical innovations.[Quinn-Judge, February 1984:47]

Vietnamese imports through Hong Kong accounted for nearly one quarter of their total imports from non-communist sources in 1982. This was nearly \$54 million worth of everything from chemicals to machinery. China and Taiwan supplied organic and inorganic chemicals, petroleum and petroleum products, and food products while the United States and Japan supplied industrial machinery and automobiles. The U.S. was a prime supplier of power generating equipment, while Japan accounted for more than 80

percent of all the vehicles that were re-exported to Vietnam through Hong Kong in 1982.[Lauriat, 1983:82-83]

Vietnamese imports from Singapore amounted to more than \$88 million in 1983, while exports to Singapore reached \$29 million.[Rees, 1984:56]

Current Vietnamese trade with the Soviet Union and other communist countries reportedly accounts for over 75 percent of their total exports. Vietnam exports handicrafts, light-industrial goods, agricultural products, seafood, and manual laborers to the socialist bloc. Imports include petroleum, cement, grain, and military armament.[Chanda, October 1983:66-67]

Vietnam's total exports in 1982 reached \$592 million. This was an increase over 1981 by 27 percent, but still not enough to service its outstanding debts. Vietnam's payments to non-communist parties in 1982 were approximately \$247 million, 152 percent of its hard-currency earnings.[ibid.]

Laos and Kampuchea have never had extensive trade ties with extra-regional nations. International trade for both of these countries has generally been dependent, at any particular point in time, to the relative status of their relationship with either Thailand or Vietnam. The direction of external trade for Laos and Kampuchea often depends on whether Thailand or Vietnam is currently influencing internal developments.

Until 1975, both Laos and Kampuchea were dealing extensively with China, the United States, and Thailand. Since 1978, extra-regional trade has been more confined to dealings with the Soviet Union and Vietnam. Current limited economic relations with non-communist nations have very little to do with trade, and are more typically confined to the receipt of aid.

The record of ASEAN's participation in international trade is one that is much more complete and successful. ASEAN provides the world with 91 percent of its unprocessed rubber, 87 percent of its tin, 88 percent of its palm oil, 73 percent of its copra, 62 percent of its tropical hardwood, and most of its spices, plus some copper, abaca, and cocoa.[Krause, 1982:23-24] Oil, petroleum products, and natural gas are Indonesia's main exports, while Malaysia dominates in tin, palm oil, natural rubber and timber exports. The Philippines exports timber, copra, and sugar while Thailand is noted for its grain products of rice and corn. Singapore is chiefly concerned with industrialization of the raw commodities from the rest of Southeast Asia. It is a major exporter of processed rubber and refined petroleum products along with other manufactured goods.[Pauker, 1981:3-4]

Exports of goods and nonfactor services accounted for 19 percent of the GDP of the Philippines in 1981 (the same as in 1979), 53 percent of Malaysia's (down from 58 percent in

1979), 28 percent of Indonesia's (down from 30 percent in 1979), 25 percent of Thailand's (up from 23 percent in 1979), and 212 percent of Singapore's GDP (up from 187 percent in 1979). [World Bank, 1983:156-157] As Lawrence Krause points out in his discussion of this topic, in the case of Singapore "...exports can have greater value than the total GDP if the import content of exports is very large." [Krause, 1982:22]

The degree of success and extensive involvement of ASEAN members in international trade is reflected in the high growth rates of trade shown in Table IV-VI.

TABLE IV-VI
INTERNATIONAL TRADE INDICES OF ASEAN COUNTRIES

Country	Merchandise Trade (millions of U.S.\$)		Average Annual Growth Rate (%)				Terms of Trade (1975=100)	
			Exports		Imports			
	1981	1981	60-70	70-81	60-70	70-81	1978	1981
Thailand	6,918	10,014	5.2	11.8	11.4	4.9	87	62
Malaysia	12,884	13,132	5.8	6.8	2.3	7.1	109	101
Singapore	20,967	27,608	4.2	12.0	5.9	9.9	102	---
Indonesia	22,259	13,271	3.4	6.5	2.0	11.9	95	154
Philippines	5,722	7,946	2.2	7.7	7.2	2.6	98	68

Note: Brunei is not included here for lack of data.

SOURCE: The World Bank, World Development Report 1983.

Manufactured products constitute approximately 60 percent of ASEAN's imports. Singapore retains the dominant share of ASEAN's manufactured goods exports market, while Thailand and the Philippines are attempting to develop their capacities in this regard. Fuels constitute a significant share of imports for all of ASEAN, while Indonesia, Malaysia, and Singapore export large quantities of petroleum products. Indonesia, Malaysia, and Singapore are all net importers of food, while Thailand is one of the largest net exporters of grains in the world.[Krause, 1982:23] ASEAN's total exports in 1982 amounted to over \$65 billion of which \$12 billion was to the United States. Imports totalled \$73 billion, of which \$10 billion came from the U.S.[U.S. Dept. of State, 1983:1]

The major trading partners of ASEAN, in order of trading importance, are Japan, the United States, the European Common Market members, and Saudi Arabia.[ibid.]

1. Foreign Aid and Investment.

As pointed out at the beginning of this chapter, a substantial part of Indochina's economy is dependent on foreign aid. Vietnam leads the community as usual having received uncounted billions in aid over the last 30 years. The total figure of foreign aid today is unknown, but some observers estimate that this aid could account for as much as a quarter of Hanoi's present budget.

Vietnam's aid comes from western as well as communist sources. Of the more significant Belgium, Denmark, Finland, France, the Netherlands, and Sweden all provide varying levels of aid and economic assistance. Sweden in particular has provided a significant level of aid to the Vietnamese including outright grants, money to build industrial projects, and assistance in building and running two hospitals.[Indochina Chronology, (April-June) 1983:5] Sweden reportedly grants some \$100 million per year to Vietnam, which has been ongoing since 1976.[Smith, 1983:1213] Swedish aid reported by Hanoi in 1983 totalled \$80 million.[Indochina Chronology, (January-March) 1983:14-15] Hanoi also reported a total of \$200 million in aid from France in 1983.[ibid.] Other western nations that contribute lesser levels of aid or have investments in Vietnamese activities include Great Britain and West Germany.[FEER Yearbook 1983:276] Vietnam has also received some aid from India, and has recently signed a agreement with Delhi calling for an exchange of about \$10 million in bilateral trade.[Indochina Chronology, (January-March) 1983:4]

Additional aid from the West comes to Vietnam in the form of humanitarian assistance from international agencies. One such source, the United Nations Development Program, has provided at least \$118 million for agricultural projects.[Smith, 1983:1212] Hanoi has reported that aid

from international agencies totalled \$625 million between 1975 and 1978.[Indochina Chronology, (January-March) 1983:15]

Aid to Vietnam from communist countries up to 1975 has been estimated at over \$4,500 million. Of this, China had supplied at least \$1,800 million.[Smith, 1983:1213] Soviet aid from 1976 to 1980 amounted to \$1.45 billion.[Quinn-Judge, (May) 1983:80] Hanoi has reported aid from socialist states during 1982-83 amounted to \$1,058 million. Participants included the Soviet Union (\$492 million), East Germany (\$172 million), Hungary (\$158 million), Czechoslovakia (\$131 million), Bulgaria (\$103 million), Rumania (\$30 million), and Poland (\$10 million).[Indochina Chronology, (January-March) 1983:14-15] Much of this assistance comes in the form of grants, and "soft" loans. The International Monetary Fund (IMF) has indicated that socialist loans to Vietnam are given with low interest rates (usually no more than 2 percent) and long term pay back arrangements. In fact, Moscow has cancelled Hanoi's debts on at least two occasions in the past.[Quinn-Judge, May 1984:81]

Laos has experienced dramatic shifts of sources of foreign aid since the communist dominance of Indochina. Prior to 1975, the United States was the most important source of aid for Laos. By 1976, aid from the U.S. had

stopped and aid from communist countries became paramount. Before 1978, significant foreign aid came from China, North Korea, the Soviet Union, and various other Soviet bloc members. Following the Kampuchean invasion and the China-Vietnam border war in 1979, Chinese and North Korean aid to the tune of \$8 billion was suspended. Laos has since had to rely on Soviet, East European, and Vietnamese generosity, with some outside assistance from international donors such as Sweden.[Burley, 1983:709] Sweden recently granted Laos an additional \$2.7 million for forestry development.[Indochina Chronology, (April-June) 1983:15] Laos has also received aid on occasion from the Netherlands, Australia, and Japan (Tokyo granted \$3 million in 1983).[ibid.] Estimates of current levels of aid run as high as \$100 million per year. This amounted to almost 80 percent of Laos' revenue in 1982.[Thayer, (January) 1983:53]

Aid to Kampuchea basically follows the same paths as that of its two larger cousins. However, in Kampuchea's case, most non-communist aid is directed towards relief of the annual food and subsistence crisis. Relief aid in 1982 was estimated at \$7,800 million.[Leifer, 1983:625]

Soviet aid to Kampuchea since 1979 has been estimated at \$329 million in grants, and \$150 million in low interest loans.[Indochina Chronology, (January-March) 1983:101]

Aid to the ASEAN countries has come from a variety of regional and international sources. Regional sources include national institutions such as the Inter-Governmental Group of Indonesia (IGGI), and The Malaysian Industrial Development Authority (MIDA). Additionally, help has been obtained from the Asian Development Bank (ADB), other major international bodies such as the International Monetary Fund (IMF), and the World Bank.

Generally good fiscal responsibility has also encouraged major nations like the United States to assist ASEAN when requested. U.S. economic aid to ASEAN since 1979 has amounted to \$19 million most of which has been allocated to development programs in agriculture, energy, and health.[U.S. Dept. of State, 1983:8]

Foreign investment in ASEAN in 1979 was estimated to be around \$5 billion. Direct investment accounted for one third of this amount, official sources for another third, and a final third came from portfolio and short-term capital. Total direct foreign investment in ASEAN by 1979 was valued at over \$16 billion. The largest percentage of this capital went to Indonesia's petroleum industry (nearly 50 percent), with the remainder split between Singapore (25 percent for manufacturing) and the other members.[Krause, 1982:25-26]

2. Interactive Regional Trade.

Trade between ASEAN and Indochina has been a touchy subject since the 1978 Vietnamese invasion of Kampuchea. Politically motivated sanctions were levied against Hanoi, and their vassals in Vientiane and Phnom Penh, by popular consensus of the United Nations. This drive was led vociferously by ASEAN and the United States. Subsequently, economic contacts between ASEAN and Indochina seemed to evaporate. In fact, rather than disappearing, economic transactions simply went underground.

The case of Laotian-Thai trade relations is particularly interesting in light of Thailand's position on sanctions against Indochina. Not only has Thailand sponsored much of ASEAN's hard-line policy against Vietnam, but they have also banned all transit of "strategic goods" to Indochina through Thai territory. Nevertheless, Thailand continues to officially import electricity (nearly \$21 million in 1982), and up to \$2 million in other goods such as timber, tin, and coffee. Unofficial imports of timber, coffee, and opium which are smuggled into Thailand add to Bangkok's coffers. [Sricharatchanya, 1983:84]

Thailand also does official business with Vietnam. Imports of Vietnamese goods into Thailand were as high as \$850,000 in 1982 and close to \$146,000 in 1983. Thai exports to Vietnam totalled \$245,000 in 1982, and \$867,000 in 1983. As with Laos, this may only be a fraction of the

trade that is smuggled across Kampuchea between Bangkok and Ho Chi Minh City.[McBeth, (April) 1984:57]

Singapore is another of the staunchly anti-Vietnam members of ASEAN whose trade statistics with Indochina belie their political convictions. Singapore's official exports to Vietnam in 1983 totalled more than \$41 million, while imports were valued at more than \$29 million. Unofficial trade may account for considerably more money than has been reported. Vietnam's exports have mostly consisted of rubber, tea, coffee, spices, and farm products. Singapore has supplied petroleum products, chemicals, textiles, fabrics and wheat to Vietnam.[Kulkarni, 1984:55]

Malaysia and Indonesia are also involved in various deals with Indochina. Indonesia is presently involved in exporting \$1.7 million worth of textiles to Vietnam per year, and may be expanding this volume.[Indochina Chronology, (January-March) 1983:3] Indonesia is also reportedly involved in a large coking-coal contract with Hanoi.[Rees, 1984:56] Malaysia sold more than \$374,000 worth of rubber processing equipment to Vietnam in 1983. Malaysia also exports goods valued at more than \$40,000 annually to Vietnam.[ibid.]

D. SUMMARY.

The two major factions of Southeast Asia are as clearly divided on economics as they are in all of the other arenas

of national and group interests. ASEAN prosperity and growth over the years of its existence are sharp contrast to Indochina's destitution, and this trend appears to be continuing. Indochina's leaders, however, have displayed their willingness to approach economic problems without the hinderance of ideology, and to find solutions in a pragmatic fashion. ASEAN members have already taken advantage of this condition and are conducting a fair level of trade with Indochina, on this basis. It remains to be seen, however, whether ASEAN will expand the ongoing trade and draw Indochina further from the clutches of the socialist bloc. In fact, this may be ASEAN's long-range intention, while conducting regional business in their own low-keyed fashion. Whatever the future of economic interaction, Indochina clearly has a long way to go before it can conquer its internal problems and participate in the greater world economy as something less than the economic parasite it is today.

V. PROBLEMS, OPTIONS, AND CONCLUSIONS

Clearly the pursuit of peace and stability in Southeast Asia is beset by numerous problems in many areas. Individual issues, however, such as that of the Kampuchean question, are often overinflated manifestations of the larger problem of regional power imbalances between two differing poles. The key to regional stability and peace rests, therefore, in achieving and maintaining a balance between the various aspects of power between these two poles.

Adding to the complexity of this task is the fact that national assets in the region are often unevenly distributed between ASEAN and Indochina throughout each of the military, political, and economic arenas of interaction. While this circumstance has both positive and negative effects on the region, the negative value often outweighs the advantages of the former. For example, on the positive side, the disadvantages that ASEAN possesses in the military arena tends to be offset by the strengths of its superior economic and political arenas. This results in a tenuous balance struck between the military and political arenas. On the negative side, however, the weight of Indochina's military power, combined with their unslacked thirst for more political and economic clout, often

jeopardizes the military/political balance, resulting in the uncertain situation that characterizes the region today.

As history has shown that no circumstance is static, so too is change endemic to the present situation in Southeast Asia. Time and change will act to either exacerbate current frictions and instabilities, or reduce disagreements and strengthen the prospects for peace. This chapter summarizes the problems and options involved in either eventuality, and concludes with a few words on the likelihood of regional stability through the rest of this century.

A. PROBLEMS.

1. Vietnam's Imperatives: Ideology and Security.

The most significant single problem facing resolution of differences in Southeast Asia today is that of Vietnam's preoccupation with their leftist ideology. Concerning peace and stability in the region, the question that thus presents itself is:

"...whether Vietnam can accept, in institutional terms, the economic systems (and societies) of the region as they are now constituted or whether it is in Vietnam's interest to push them to the left." [Pike, (November) 1981:9]

Another aspect of this question is whether Hanoi will continue to allow the current erosion of its communist orthodoxy to capitalist economic pragmatism. Perhaps a more

accurate observation in this regard would be whether the present Vietnamese leadership can long survive economic pragmatism. The evidence to date seems to indicate that they can.[Quinn-Judge, (9 August) :14]

Along with the problems of political and economic change, Vietnam must also contend with their growing security imperatives. Historical precedence has shown Hanoi that Vietnamese security is irreversibly tied to its immediate Indochinese neighbors. Accordingly, the current Vietnamese military control of Laos and Kampuchea is seen by Hanoi as being irreversible. Thus while ASEAN refuses to recognize this fact, Vietnam's position in Indochina will continue to be a major obstacle to real peace between them.

Not surprisingly, Vietnamese ideological and security imperatives have often represented formidable obstacles to resolution of regional differences in the past. No doubt they will continue to do so in the future. However, under conditions of mutual respect and understanding for national positions, such obstacles could be worked around and solutions to problems arrived at. In this regard ASEAN must find the maturity and self-confidence to overcome their current fears and antipathies, recognize Vietnam's imperatives and lead the way towards normalization.

2. ASEAN's Concerns: Internal Divisions.

Among ASEAN's primary concerns, internal political fragmentation is probably only second in importance, to the actual loss of one of its members to a non-capitalist government. ASEAN correctly recognizes that their unified strength is also potentially their weakest point. This potential weakness has been sorely tested by Vietnam since ASEAN was initially founded. As succinctly stated by Leszek Buszynski, the problem is that the:

"ASEAN countries differ as to the intensity of the pressure that should be applied to Vietnam, the extent to which Vietnam actually represents a threat to the region and the advisability of protracted reliance upon great-power support to induce a change in Vietnamese policy." [Buszynski, (January) 1984:30]

Along the lines of these considerations, ASEAN is generally divided into two factions. Thailand and Singapore are considered to be the strongest exponents of a hard line towards Vietnam. Thailand because of its position as ASEAN's front line state opposite Vietnam, and Singapore because of Hanoi's close ties with the Soviet Union, and the potential this has to disrupt the sea trade lanes vital to Singapore's existence. Malaysia and Indonesia represent the other ASEAN faction, preferring a less hostile and more conciliatory attitude towards a Vietnam that is geographically far away and presents little threat to these nations. Malaysia and Indonesia also

consider Vietnam to be considerably less of a threat than that traditionally posed by China. In some respects Vietnam is regarded by these two states as a necessary buffer between themselves and what they perceive to be Beijing's designs on Southeast Asia. Due to physical distance and a historical lack of common interests, the Philippines normally takes a neutral stance on ASEAN's internal political decisions, supporting the dominant faction on specific issues.

Vietnam has frequently used ASEAN's division of perceptions to its own advantage. Hanoi has made a point of playing on Malaysian and Indonesian sensitivities toward China, especially in regard to Thailand's increased ties with Beijing. The success of this tactic was illustrated most strongly in 1980 when the Prime Ministers of Malaysia and Indonesia, without consultation with the other ASEAN members, bilaterally proposed the "Kuantan Principle." This was suggested as an alternative to the accepted ASEAN position on Kampuchea. The "Kuantan Principle" called for:

"...a Vietnam free of Soviet influence but independent of China...concessions on Kampuchea including acceptance of a Heng Samrin-dominated government if it were "broader-based," termination of ASEAN support of the Khmer Rouge government of Democratic Kampuchea, and a position calling for only a partial Vietnamese troop withdrawal." [Niksich, 1981:225]

While both governments eventually backed off of their stance on Kuantan, the damage was done towards tarnishing the image of ASEAN unity. Vietnam has tried ever since to exploit this chink in ASEAN's armor. Nevertheless, despite periodic disagreements over the years, ASEAN remains unified and politically strong.

3. External Factors.

Regional problems and their resolutions are heavily influenced by the "Great Powers". Local alignments with external governments frequently inflame regional problems and hinder solutions for protracted periods of time. For example, China's support of the exiled Khmer Rouge, and their previous assistance to the North Vietnamese has lent years of misery to the region. Soviet support to Vietnam is doing the same for Indochina today. Certainly neither Vietnam's economy nor its massive military might could long be maintained without Soviet aid, but the long term negative effects of Soviet involvement in Indochina will be felt for years to come. The concern of all of Southeast Asia has been summed up by Jusuf Wanandi when he wrote:

"it is not in the interest of any country in the Southeast Asia region to see a Vietnam pressured by any great power...all ASEAN countries share some concern about Vietnam's overdependence on the Soviet Union..."[Wanandi, 1984:35]

In this same light, the United States has contributed its share to problems of instability in

Southeast Asia. America's long military involvement, and its hasty withdrawal from the continent in the 70s, both served to disrupt regional balances. The United States has also been responsible, both directly and indirectly, for the long-standing isolation of Vietnam in the community of nations. It is arguable that Washington's refusal to normalize relations with one of the most significant powers in Southeast Asia borders on political irresponsibility not only to its own people, but also to the nations of the region that have relied on American friendship and security for these many years. Notwithstanding the humiliations suffered at the hands of the Vietnamese at the conclusion of American military involvement on the mainland in 1975, Washington's actions have pushed the Hanoi leadership further into the opportunistic arms of the Russians, when other avenues could have been explored. Additionally, Vietnam's isolation by the United States has exacerbated the traditional tensions between Indochina and ASEAN, encouraging these differences while paying only lipservice to assisting their resolution. Thus it must be recognized, in Washington as well as in the capitals of the ASEAN countries, that America owes more to the resolution of Southeast Asia's troubles than it has been willing to give in recent years.

American interests in the region, past, present, and especially future clearly demand a more flexible approach to U.S. policy in the area. If the United States wants to maintain its influence in Southeast Asia, it must be willing to accept its responsibilities both as a superpower and as a long standing friend of the region with much of the same maturity that is demanded of its ASEAN allies. In this respect, the United States could show its leadership by taking the first steps towards the real resolution of Southeast Asia's difficulties by normalizing its relations with "all" of the nations of the region. Following a more than adequate period of self-abnegation for its past difficulties in the region, the United States should not hesitate to recover the momentum that it has lost to the Soviets, and to involve itself more positively in influencing policy decisions in this most crucial part of the world.

Apart from the results of direct influence by external powers on the region, "great power" interaction outside of the area often has had significant impact. The recent alignment of China with the United States, and China's hostility towards the Soviet Union have both been felt in Southeast Asian politics. While ASEAN has benefited from the U.S.-Chinese friendship, Vietnam has likewise reaped rewards from the Soviet-Chinese split. In this same regard, one of the most disquieting scenarios that



Hanoi could contemplate today would be one in which China and the Soviet Union would reach some measure of detente. While this situation could spell trouble for the rest of Southeast Asia as well, Vietnam stands to loose much in terms of its current military predominance.

Though the potential for this happening is currently remote, the possibility holds much in the way of opportunity for ASEAN-Indochinese rapprochement. Vietnam may be well advised to make their peace with ASEAN now, establishing lines of support and security with its less aggressive neighbors, before it finds itself cast out sometime in the future, by one or more of its distant communist benefactors. ASEAN leaders should certainly explore the potential of this avenue of approach.

B. OPTIONS.

1. Continued Isolation.

As intimated in the previous paragraphs, of the many options available for the future of Southeast Asia that of the continued isolation of Indochina is probably the least sensible. To date, this tactic used as a weapon has yielded only marginal benefits for ASEAN and has not served U.S. interests at all. It has done little more than increase mutual hostilities while acting in most cases to reduce regional development. On the other hand, it has increased the Soviet Union's influence in the region and



expanded their global position handsomely. ASEAN's and the United State's economic embargoes, political isolation, and thinly veiled threats of military alignment have simply not been successful in solving Southeast Asia's problems. Though possibly acting as a partial deterrent against Vietnam in the early days of its institution, isolation is clearly a thing of the past, and should be abandoned at the earliest possible moment.

2. Escalation and Conflict.

Though only marginally a more likely option, escalation of the current level of conflict between ASEAN and Indochina into an open war is a possibility that must be addressed. Failing some more equitable arrangement, it is always possible that some incident (such as those that occur regularly along the Thai Kampuchean border) could cause a rapid and unplanned for escalation into open warfare. The fact that such an escalation could be planned as well, is also a consideration that should be weighed no matter how remote such an act seems. In any event, should escalation and war occur, it is uncertain which side would loose the most. Certainly Thailand, being the "front line" state, could not long withstand a full scale military exchange with Vietnam. On the other hand, Vietnam stands to loose much more in the way of economic and political sustenance from the rest of ASEAN and the world, as a result of fighting



Thailand. Obviously neither ASEAN or Indochina can be much enamored of a war-fighting scenario. Though conditions can change over time, it seems evident that at this point escalation and increased conflict can not seriously be considered to be a realistic solution to problems in the region for either side.

3. Compromise and Accommodation.

This scenario is probably the one most favored in Hanoi circles. As with all communist leaderships, Vietnam's rulers would most like to be able to win constant compromise and easy accommodation from the ASEAN governments. Vietnam's record of diplomacy illustrates this desire, as well as their typically communist methodology of attainment. Hanoi has often used military force, "probing with the bayonet" to achieve political compromise, retreating when meeting opposition, and advancing when accommodation was achieved. The problem facing the ASEAN countries today is determining the length to which they can afford to compromise and accommodate Vietnam.

Though no one tactic can be sufficient to cover all circumstances, ASEAN must exercise extreme caution and carefully weigh the advantages and disadvantages of each situation when dealing with Vietnam. To be successful in this arena, ASEAN must be ever vigilant to its own long and short-range security needs and be constantly aware of Vietnam's foremost interests in itself. ASEAN must be



prepared to "probe" with the political "bayonet" and must have the determination and courage to exploit their opportunities when they present themselves. Only in this light, can Hanoi's game of compromise and accomodation be attempted with some hope of success for ASEAN.

4. Cautious Rapprochement.

Building on the precepts of the foregoing scenario, the last but most likely option for the region is that of eventual rapprochement, and the lessening of factional disputes. This option is not only the most logical scenario, but also the one solution that has the greatest potential for long term peace. Rapprochement between ASEAN and Indochina could be based on the successful resolution of one particular problem, such as Kampuchea, or on a variety of other smaller problems. Rapprochement will probably be a long term process, as opposed to a sudden major breakthrough on a large issue. The key is to establish an opening on an issue and continue to expand good relations as solutions to individual aspects of the issue present themselves. A perfect example of this type of process is that of the low keyed trade effort that is even now ongoing between ASEAN and Indochina.

Economic ties between ASEAN and Indochina are capitalistic by nature, and serve not only to promote the immediate welfare of the trading partners, but also act to

ameliorate the differences between their political systems. Should ASEAN, (or the United States) wish, this type of "capitalist" operation could be gradually expanded over a period of time so that it affects not only Vietnam's economic arena but her political and military arenas as well. While it is too early to tell, this relationship has the greatest potential of resulting in eventual normalization and the insurance of long-term stability. Though some observers of Vietnam have voiced the opinion that Hanoi can not be swayed by economic ties, this has yet to be proved. Conversely, there have been consistent indicators from Hanoi reflecting the fact that economics have indeed had great impact on Vietnam's direction in recent years. If this be true, it may well be that it is within ASEAN's power today to determine whether economic considerations are, or will be, one of Vietnam's "imperative determinants." [Pike, (November) 1981:10] In this regard, only time can reveal the truth of the matter. However, ASEAN certainly can not afford to pass up the potential opportunity that an economic path to rapprochement represents to the prospects for future peace and stability.

C. CONCLUSIONS.

1. Prospects for Peace and Stability Through the 1980s.

As shown in the previous discussion, the prospects for peace in Southeast Asia hinge on many factors, both



external as well as internal.-- Additionally, these prospects grow in direct relation to the degree in which many of these factors can be manipulated, neutralized or eliminated. Along these lines, the local governments have learned by experience that if the "great powers" can be mollified, neutralized, or kept out of direct involvement in the region, the prospects for regional peace come closer to realization. This perception has been espoused most eloquently on more than one occasion by both ASEAN and Indochina.

On the other hand, peace in small regions can often be positively influenced by larger external powers. This can occur when this influence is carefully apportioned, to prevent the rapid imbalances of power that can lead to war. Thus, good judgement and political maturity on the part of "great powers" can be a valuable asset to the pursuit of peace when properly applied. This should be the goal of all of the external powers when dealing with Southeast Asia.

The prospects of peace for the 80s is greater now than at any other time in the history of the area. For the first time in more than a thousand years, local indigenous governments are in control of all of the major countries of the Southeast Asian region. For a time at least, no external power precludes the potential for agreement among sovereign neighbors, to achieve a greater alignment than has ever been seen in this part of the world. In this regard, a

satisfactory and lasting peace can be achieved in war torn Southeast Asia today. Traditional animosities and problems can be resolved by regional players, through regional mechanisms such as economic interaction. External involvement should be limited to low-keyed encouragement of regional players, and positive reinforcement of peaceful actions. While both regional factions have the need and ability to achieve the goals of peace and stability at this time, they are lacking the will to implement them. It is postulated by this thesis, however, that most of the prerequisites for these goals are already in place, and that it is only a matter of time before manifestations of a lasting peace, (such as normalization), are forthcoming. Though this desirable circumstance may not become an immediate achievement. (barring world war), all indications suggest that such will be achieved by the end of this century.

EXTRACTS FROM THE BANGKOK DECLARATION OF 1967

The essence of the objectives of ASEAN are as follows:

To accelerate economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of South East Asian nations.

To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter.

To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields.

To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres.

To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communication facilities and the raising of the living standards of their people.

To promote South East Asian studies.

To maintain close and beneficial co-operation with existing international and regional organizations with similar aims and purposes, and explore all avenues for even closer co-operation among themselves.

SOURCE: The Far East and Australasia, 1982-1983 (London: Europa Publications, Ltd., 1983) p. 121.

APPENDIX B

ASEAN-INDOCHINA CHRONOLOGY

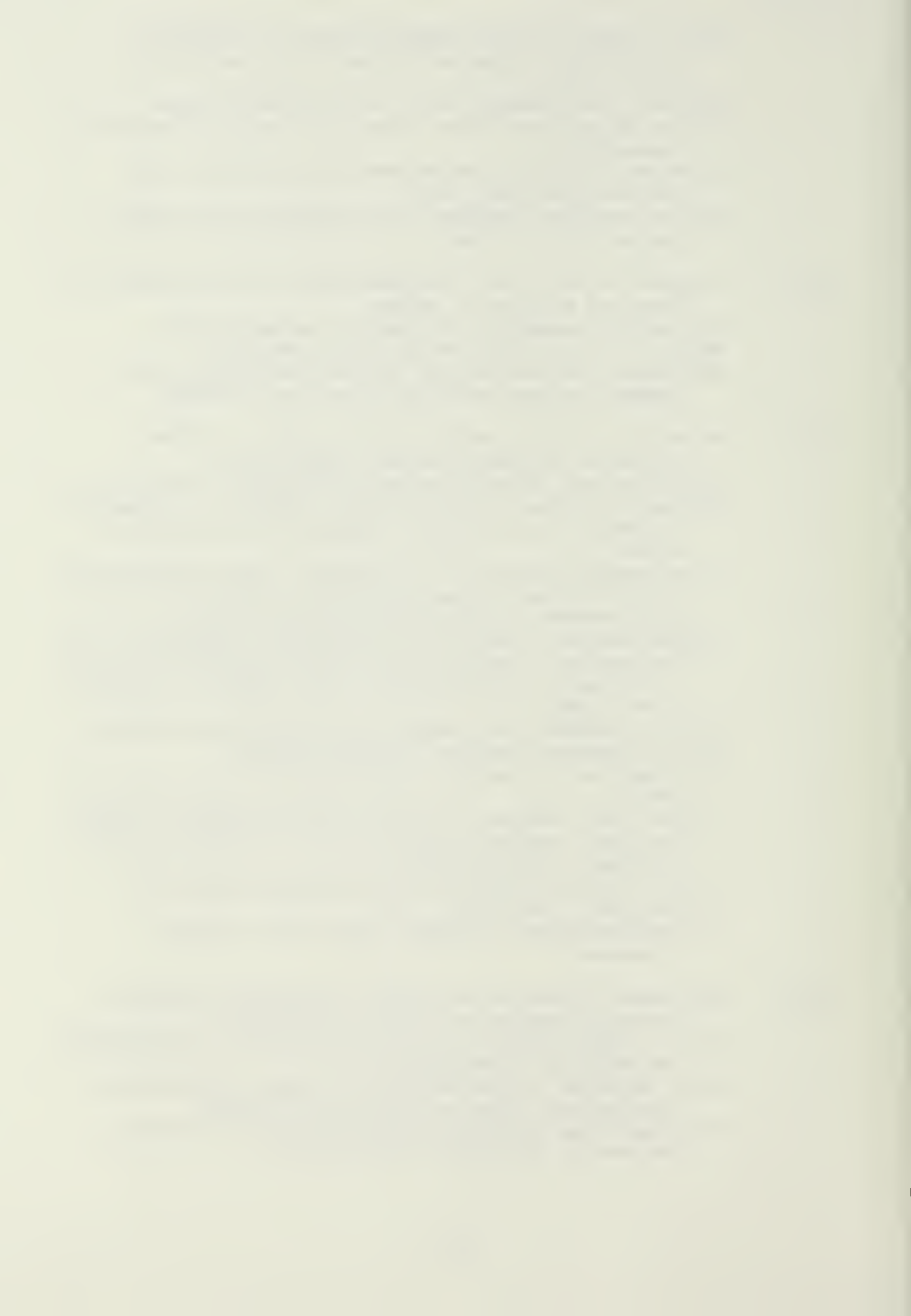
- 1967 ASEAN formed at Bangkok. Bangkok Declaration.
- 1968 1st annual meeting of ASEAN in Jakarta.
Indefinite cooling off period agreed to by Malaysia and the Philippines concerning dispute over Sabah.
- 1969 No significant actions taken.
- 1970 Cambodian situation discussed at regional conference. Withdrawal of all foreign troops from Cambodia called for.
Sihanouk ousted in coup led by Lon Nol.
- 1971 "Zone of Peace, Freedom and Neutrality" declared in Kuala Lumpur Declaration.
- 1972 ASPAC meeting urged co-operation with ASEAN and accomodation with China.
- 1973 Australia & New Zealand endorsed "Zone of Peace" declaration.
Philippines raised issue of foreign involvement in Mindanao insurgency in ASEAN forum.
Rehabilitation assistance for Indochina urged.
Cease fire in Indochina signed by U.S. & Vietnam
U.S. POWs released from North Vietnam.
- 1974 Australia called for closer economic ties with ASEAN in the fields of science, technology, and trade.
China & Malaysia established closer ties.
China praised ASEAN's "Zone of Peace."
U.S. aid to Cambodia ended.
Coalition government established in Laos.
China siezed Paracel Islands.
- 1975 Instability of Vietnam and exodus of refugees on ASEAN's agenda.
China & the Philippines established diplomatic relations.
Proposed Treaty of Friendship failed to gain consensus among ASEAN membership.

EEC in meeting with ASEAN vowed to continue efforts to promote economic collaboration and trade.
Lon Nol government fell to the Khmer Rouge.
ASEAN recognized Khmer Rouge (Sihanouk) regime in Cambodia.
Laotian coalition government fell-Pathet Lao communists took over.
North Vietnam invaded and conquered the South.
Saigon fell 30 Apr.

1976 Treaty of Amity and Co-operation & Declaration of Concord signed by ASEAN.
Socialist Republic of Vietnam established.
Spratly Islands becoming controversial.
Australia attempted to improve relations with ASEAN; signed economic Pact with ASEAN.

1977 Australia established review panel on ASEAN affairs, proposed wider trade ties.
ASEAN Mutual Trade Agreement signed in Manila.
Soviets charged "imperialistic powers" increasing attempts to transform ASEAN into a military bloc.
Laos signed Treaty of Friendship and Co-operation with Vietnam, "Special Relationship" & 30,000 Vietnamese troops established in Laos.
ASEAN backed promotion of peaceful relations with Indochina. Assails internal communist rebels as threats to Asian security. Western economic ties urged.
S.R.V. became full member of the United Nations.
Thai-Cambodian border clashes noted.
Philippines announced intention to drop claims to Sabah.
Japan, New Zealand and Australian heads of state met with ASEAN counterparts. Pledged greater economic co-operation.
Joint Thai-Malaysian force battled rebels in southern Thailand.
Thai-Vietnamese clashes noted over fishing trespass.

1978 Secretary-General of ASEAN, Indonesian General Hartono Dharsono, ousted by Jakarta.
U.S. & ASEAN held talks and agreed to "integrated program for commodities."
U.S. & ASEAN talks held on refugee problems and neutrality towards communist states.
Chinese Premier Deng Xiaoping toured Thailand, Malaysia, Singapore and Burma.



Vietnam invaded Kampuchea (Cambodia), 25 Dec.
Vietnam signed Treaty of Friendship & Co-operation
with the Soviet Union. Joined COMECON.

- 1979 ASEAN statement "strongly deplored the armed intervention..." of Vietnam against Cambodia. Called for the "immediate & total withdrawal of the foreign forces..." from Cambodia.
China invaded Vietnam, Feb-Apr.
ASEAN called for a halt to hostilities between China and Vietnam.
ASEAN members submitted U.N. resolution calling for an end to the Vietnamese invasion of Cambodia and China's military action in Vietnam. Soviets vetoed it.
Refugee meeting sponsored by ASEAN.
ASEAN countries announced their refusal to accept any more refugees and reserved the right to expell those already in their countries. Calls made to Vietnam to withdraw from Cambodia.
Indochinese states unify on foreign affairs issues.
- 1980 Growing importance of ASEAN discussed in Chinese-Japanese talks.
Major cross-border skirmish conducted by Vietnam near Aranyaprathet Thailand.
ASEAN communique issued condemning Vietnam for an attack on Thailand. Indicates such action "constitutes a grave and direct threat to the security of Thailand and the SE Asian region."
U.S. weapons airlifted to Thailand in response to Vietnamese incursion, by request of Thailand.
ASEAN rejects Vietnamese plan for Demilitarized Zone along Thai-Cambodian border; suggested instead a U.N. supervised zone inside Cambodia.
Heng Samrin visited Moscow-Soviet aid increased to Kampuchea.
- 1981 China announced end of aid to insurgent movements in SE Asia.
ASEAN reiterated support for 1980 U.N. Resolution calling for an international peace conference on Cambodia.
U.S. joins ASEAN in unified resistance against Vietnamese supported government in Cambodia.
U.S. Secretary of State, Haig attended ASEAN Summit Meeting.
ASEAN offers plan to send U.N. peacekeeping force to Cambodia.
U.S. encourages embargo of economic support to Vietnam.

U.N. conference on Cambodia--convened due to ASEAN pressure.
ASEAN, led by Singapore, backs Cambodian exile coalition.
Pen Sovan replaced by Heng Samrin in PRPK congress.

- 1982 Malaysia wants ASEAN unity to break hold of oil industry multinationals on regional energy assets.
Cambodian exile unity pressed by ASEAN.
U.N. report predicted regional food shortages in two ASEAN countries.
U.S. Vice President Bush toured Asia - included stop at Singapore - praised Singapore's role in ASEAN.
Vietnamese Foreign Minister Nguyen Co Thach visited ASEAN meeting; warned against ASEAN support to Cambodian rebels.
Vo Nguyen Giap removed from Vietnamese Politburo.
Vietnamese government reshuffled.
ASEAN mustered U.N. votes to maintain DK delegation as legal representative of Kampuchea.
- ASEAN martials U.N. vote calling for withdrawal of Vietnam & self-determination for Kampuchea under U.N. guarantee.
- 1983 Kampuchean exile government formed under Sihanouk.
Vietnamese troop pullout announced--troops merely rotated.
U.S. signed new base agreements with the Philippines.
ASEAN endorsed Thai proposal for total withdrawal of Vietnamese troops from Kampuchea.
Chinese-Vietnamese clashes reported on border.
Australian Foreign Minister visited Hanoi.
Japan threatened aid freeze to Vietnam until forces are withdrawn from Kampuchea.
- 1984 Brunei joined ASEAN as the sixth member, 7 Jan.
Independence of Brunei marked, 23 Feb.
Singapore implicated with China in supplying arms to Kampuchean exile groups.
Spring offensive launched by Vietnamese against exile coalition camps along Thai-Kampuchean border.
Thai Supreme Commander visited China's forward positions along Vietnamese border. Thai-Chinese military talks scheduled.
U.S. increased covert cash aid to Democratic Kampuchea.

Hanoi announced another troop withdrawal from Kampuchea, Jul.

Hanoi noted seeking more military aid from Moscow and communist allies. East Germany turned them down.

Sporadic fighting amongst Khmer Rouge and other members of the Coalition observed.

ASEAN issued a strong condemnation of Vietnam's presence in Kampuchea.

Vietnam's economic pragmatists won another round in Hanoi's 6th Plenum.

Hanoi accused Thailand of complicity with China to weaken Vietnam's security.

New influx of Laotian refugees in Thailand.

Hanoi indicates it is now willing to accept international supervision and monitoring of a Kampuchean settlement, after an agreement has been reached.

Vietnam's Le Duan visited India in a gesture suggesting Hanoi may be exploring new models of development.

SOURCE: Facts On File, World News Digest With Index (Facts On File, Inc., 1984)..

APPENDIX C

SOUTHEAST ASIAN
REGIONAL MILITARY INVENTORY

1983 - 1984

The cut off date of the information in this equipment inventory is June 1984. Figures reflect equipment available, not necessarily operational. Operational status of weapon systems is in some respects a transitory factor which is difficult to define, as it often differs from country to country.

INDOCHINA

VIETNAM

Army: 1,200,000 Personnel

Main Battle Tanks

1,500 T-34/85
T-54/55
T-62
Type 59
(160) M-60A1 MBT* (US)
400 M-48 PATTON II* (US)
(140) M-47 PATTON I* (US)

Light Tanks

450 PT-76
Type 60/63
Type 62
150 M-41 WALKER BULLDOG* (US)
32 M-24 CHAFFEE* (US)

Armored Recon. Vehicles

--- BRDM-2
45 M-8 GREYHOUND* (US)

Armored Personnel Carriers

1,500 BTR-50/60
Type 56
K-63
866 M-59 APC* (US)
1,780 M-113A1* (US)
400 V-150 COMMANDO* (US)
165 M-2A1 HALF-TRACK* (US)

Artillery

300 76mm
M-44/D-44 85mm GUN
M-1944/55 100mm GUN
800 D-30 122mm GUN HOW
200 M-46 130mm GUN
100 M-55 D-20 152mm GUN
HOW
1,200 M-101A1 105mm HOW* (US)
115 M-102 105mm HOW* (US)
300 M-114 155mm HOW* (US)
10 M-109 155mm HOW* (US)
175 M-107 175mm SP HOW* (US)
20 M-1A1 LONG TOM 155mm
HOW* (US)
--- BM-21 122mm MRL

Antitank

90 SU-76
SU-100
ISU-122
--- 75mm pk
--- B-10 82mm RCL
--- Type 63/B-11 107mm RCL
10 M-50 ONTOS SP

Antiaircraft

4,000 ZU-23-2 23mm AA GUN
M-53 30mm AA GUN
M-38/9 37mm AA GUN
40mm
S-60 57mm AA GUN
M-44 85mm AA GUN
M-49 100mm AA GUN

---	BM-14-16 140mm RL	---	KS-30 130mm AA GUN
---	M-37/41/42 82mm MORTAR	---	Type 55 37mm AA GUN
---	107mm MORTAR	58	M-42 40mm DUSTER SP
---	M-38/43 120mm MORTAR		AA GUN* (US)
---	M-43/53 160mm MORTAR	100	M-1 40mm L-60 Bofors
			AA GUN* (US)
		---	ZSU-23-4 23mm SP GUN
		---	ZSU-57-2 57mm SP GUN

Note: Weapons systems without numerical totals are included in the total figure for the system just preceding.

* Denotes U.S. equipment obtained from South Vietnam in 1975. Figures in parentheses are totals for equipment recieved in earlier years, but which may currently be inoperable.

VIETNAM

Navy: 8,000 Personnel

Frigates

4 UR PETYA II Class
1 US BARNEGAT Class
1 US SAVAGE Class
2 US ADMIRABLE Class

Fast Attack Craft

8 UR OSA-II Class PTG with
STYX SSM
8 UR SHERSHEN Class PTF

Patrol Boats

4 UR S.O.-1 Class
6 UR ZHUK Class
8 CH SHANGHAI II Class
17 US PGM Class
26 US CG POINT Class

Patrol Craft

2 UR P.O.-2 Class
2 Bremse Class
107 US SWIFT Class

Riverine Warfare Craft

9 US CCB Class
84 US ASPB Class
42 US MONITOR MK-V Class
22 US LCM (6) MONITOR Class
100 US ATC Class
293 US PBR MK-II Class

Mine Warfare Ships

1 YURKA Class
5 UR K-8 Class
8 US MSB-5 Class
8 US MSM Class

Assault Ships

3 UR POLOCNY B Class
3 US LST 1/LST 542 Class
4 US LSM 1 Class
14 US LCU 1466 Class
1 US LCU 501 Class
12 UR T-4 Class

Miscellaneous Ships

1 UR KAMENKA Class
4 US 174 ft. Tanker
9 US YTL Type Tugs

VIETNAM

Airforce: 15,000 Personnel

Fighter/Fighter Bombers

50 MIG-15 FAGOT
68 MIG-17 FRESCO
30 MIG-19 FARMER
43 SU-7B FITTER A
-- SU-20 FITTER C
176 MIG-21 FISHBED F/PF/PFMA
MIG-21 bis FISHBED N
30 MIG-23 BN FLOGGER F
68 F-5A FREEDOM FIGHTER*
(US)
2 F-5B FREEDOM FIGHTER*(US)
-- T-28D TROJAN* (US)
22 F-5E TIGER II* (US)
8 IL-28 BEAGLE
160 A-37B DRAGONFLY* (US)
4 B-57B* (US)
40 O-2A/B SKYMASTER* (US)
-- TU-16 BADGER

Transport Aircraft

50 AN-26 CURL
20 AN-2 COLT
2 AN-30
-- LI-2 CAB
9 AN-24 COKE
11 YAK 40
7 IL-14 CRATE
2 IL-18 COOT
50 C-123K PROVIDER* (US)
41 U-17 SKYWAGON* (US)
32 C-130A HERCULES* (US)
11 Li-2/C-47 SKYTRAIN*(US)
20 C-47 SKYTRAIN* (US)
24 AC-119G SHADOW* (US)
1 DC-3* (US)
4 DC-4* (US)
2 DC-6B* (US)
2 Boeing 707

Trainers

-- L-29 MAYA (CZ)
-- L-39 ALBATROS (CZ)
-- MIG-17 UTI
-- MIG-21U MONGOL
3 Cessna 206* (US)
24 T-37C TWEETY BIRD* (US)

Helicopters

22 MI-6 HOOK
38 MI-8 HIP C
22 MI-24 HIND A
-- MI-14 HAZE
14 KA-25 HORMONE
245 UH-1B/H IROQUOIS* (US)
40 CH-34A SEA BAT* (US)
66 AH-1G COBRA* (US)
85 CH-47A/C CHINOOK* (US)

Miscellaneous

2 EC-47 ESM SKYTRAIN*
(US)
20 AC-47 DRAGON SHIP* (US)
-- BE-12 MAIL
8 RC-47 SKYTRAIN* (US)

Air Defense

-- SA-2 GUIDELINE
-- SA-3 GOA
-- SA-6 GAINFUL
---- SA-7 GRAIL
-- SA-9 GASKIN

* U.S. equipment captured from South Vietnam in 1975, some of which may be non-operational.

LAOS

Army: 50,000 Personnel

Main Battle Tanks

-- T-34/85

Light Tanks

25 PT-76

-- M-24 CHAFFEE* (US)

Armored Recon. Vehicles

8 BTR-40

--- M-706* (US)

Armored Personnel Carriers

40 BTR-152

--- M-113A1* (US)

Artillery

80 M-116 75mm

76mm pk HOW

105mm HOW

D-30 122mm GUN/HOW

155mm HOW

--- 81mm MORTAR

--- M-41/42 82mm MORTAR

--- 107mm MORTAR

--- 4.2" MORTAR

Antitank

--- B-11 107mm RCL GUN

Antiaircraft

--- M-1939 37mm AA GUN

--- M-1950 57mm AA GUN

* Former U.S. equipment.

LAOS

Navy: 1,000 Personnel

Patrol Craft

6 UR SHMEL Class
30 River Patrol Craft

Miscellaneous Craft

16 Landing Type

LAOS

Airforce: 2,000 Personnel

Fighter/Fighter Bombers

20 MIG-21
80 T-28D TROJAN

Helicopters

42 UH-34 CHOCTAW (US)
10 MI-8 HIP C
2 MI-6 HOOK
6 ALOUETTE III (FR)
13 UH-1 IROQUOIS (US)

Transport Aircraft

2 YAK 40
18 C-47 SKYTRAIN
2 DC-4
5 AN-24 COKE
2 AN-26 CURL
6 AN-2 COLT
2 DC-4
4 U-17A SKY WAGON (US)
1 DHC-2 BEAVER (US)
10 C-123 PROVIDER (US)
14 AU-24A STALLION (US)
6 T-41D MESCALERO (US)

ASEAN

THAILAND

Army: 160,000 Personnel

Main Battle Tanks

16 M-60A1 MBT
170 M-48A5 PATTON II
15 M-48A2 PATTON II
470 M-47 PATTON I*

Light Tanks

20 M-24 CHAFFEE*
170 M-41 WALKER BULLDOG*

Armored Recon. Vehicles

150 SCORPION 90 (UK)
32 SHORLAND MK 3 (UK)
90 M-3A1 SCOUT*
30 M-16 HALF-TRACK*
16 M-8 GREYHOUND*

Armored Personnel Carriers

290 M-113A1 APC
20 SARACEN (UK)
120 V-150 COMMANDO
90 M-2A1 HALF-TRACK*

Artillery

170 M-116 75mm pack HOW
371 M-101A1 105mm HOW
18 M-102 105mm HOW
62 M-114A1 155mm HOW
18 155mm GUN/HOW (IS)
--- M-1 81mm MORTAR
170 M-29E1 81mm MORTAR

Antitank

6 MGM-71 TOW
300 M-47 DRAGON
--- M-72A2 LAW
--- M-20 75mm RR
--- M-18A1 57mm RR
215 M-40A1 106mm RR
--- M-20A1 3.5" RL

Antiaircraft

24 M-167A1 VULCAN SP AD GUN
--- FIM-43 REDEYE SAM
62 M-1 40mm L-60 Bofors AA GUN (SW/US)
18 M-42 40mm DUSTER SP AA GUN

Note: All of Thailand's Army equipment is of U.S. origin except where otherwise indicated.

* Many of these systems may no longer be in service.

THEORY

1. Introduction

The purpose of this study is to investigate the effects of the independent variable on the dependent variable.

The study is designed to test the following hypotheses:

- H1: There is a positive relationship between the independent variable and the dependent variable.
- H2: There is a negative relationship between the independent variable and the dependent variable.

The study is a quantitative research design, using a survey method to collect data from a sample of participants.

The data collected will be analyzed using statistical methods, including regression analysis, to determine the relationship between the independent variable and the dependent variable.

2. Methodology

The study is a quantitative research design, using a survey method to collect data from a sample of participants.

The sample size was determined using a power analysis, which indicated that a sample size of 100 was sufficient to detect a medium effect size with a power of 0.80.

The data was collected using a self-administered questionnaire, which was distributed to participants via email. The questionnaire included a cover letter, a consent form, and a series of questions related to the study.

The data was analyzed using SPSS software, which was used to calculate the means, standard deviations, and correlations between the variables.

The results of the analysis are presented in the following sections.

THAILAND

Navy: 32,200* Personnel

Frigates

- 1 UK YARROW Class with 4 SEACAT SAM
- 2 US PF-103 Class
- 2 US TACOMA Class
- 1 US CANNON Class

Fast Attack Craft

- 3 Breda RATCHARIT Class with 4 EXOCET SSM (IT)
- 3 PRABRARAPAK Class with 5 GABRIEL SSM

Patrol Boats

- 2 MV 400TH Design
- 4 T-91 Class
- 10 US PGM 71 Class
- 4 US CG CAPE Class
- 7 US PC 461 Class

Patrol Craft

- 12 New Construction
- 12 US SWIFT Class
- 37 US PBR MK-II Class
- 3 US RPC Class

Mine Warfare Ships

- 4 US BLUEBIRD Class
- 5 50 ft. Motor Launches
- 2 US AGILE Class (Ocean)
- 2 BANGRACHAN Class
- 1 MCM Support Ship

Assault Ships

- 4 US LST 542 Class
- 3 US LSM 1 Class
- 1 US LCI 351 Class
- 1 US LSSL 1 Class
- 4 New Construction
- 6 US LCU 501 Class
- 25 US LCM (6) Class
- 8 US LCVP Class
- 1 Personnel Landing Craft

Training Ships

- 1 UK ALGERINE Class
- 1 UK FLOWER Class
- 1 TACHIN Class
- 2 Harbor Oilers

Miscellaneous Ships

- 2 Survey Ship
- 2 Oceanographic Craft
- Numerous LCA Type
- 1 Transport Ship
- 1 Buoy Tender
- 1 Oiler
- 1 Transport
- 1 Provisions Transport
- 2 CHARN Class Tankers

Marine Police

- 8 Aluminum Hulls
- 3 US CUTLASS Class
- 3 Seagoing Patrol Boats

* Total includes some 14,000 Marines.

THAILAND

Airforce: 43,100 Personnel

Fighter/Fighter Bombers

24 F-5A FREEDOM FIGHTER
34 F-5E TIGER II
2 F-5B FREEDOM FIGHTER
5 F-5F TIGER II

Counterinsurgent Aircraft

45 T-28D TROJAN
38 OV-10C BRONCO
16 A-37B DRAGONFLY
31 AU-23A PEACEMAKER
14 AC-47D DRAGON SHIP
20 N-22B NOMAD
MISSIONMASTER (AS)
20 T-33A SHOOTING STAR
3 C-130H SPECTRE GUNSHIP
30 T-6G TEXAN

Reconnaissance Aircraft

4 RF-5A FREEDOM FIGHTER
6 RC-47 SKYTRAIN
4 RT-33 SHOOTING STAR
3 Arava IAI 201 ESM (IS)
8 Beech 65 QUEEN AIR/U-8
SEMINOLE
1 Cessna 310/U-3A
4 RT-33 SHOOTING STAR

Transport Aircraft

20 C-47 SKYTRAIN
4 SA 227-AT MERLIN IVA
5 C-45 EXPEDITOR
17 C-123B PROVIDER
17 C-123K PROVIDER
2 BAe HS-748 (UK)
1 BN-2 ISLANDER (UK)

Trainers

24 CT-4 Airtrainer
10 CHIPMUNK
14 T-37C TWEETY BIRD
6 O-1A BIRD DOG
4 T-41D Mescalero
12 SF.260 MT Trainer (IT)

Helicopters

40 CH-34A CHOCTAW
63 UH-1H IROQUOIS
2 Bell Model 214
3 HH-43B HUSKIE
13 CH-19E CHICKASAW

Miscellaneous

5 U-10A SUPER COURIER
4 DHC-2 BEAVER (CA)
44 L-21A/ Piper L-18
10 TURBO PORTER (SZ)

Air Defense

4 HAWK SAM Bns

Army Aviation

General Purpose

4 C-47 SKYTRAIN
 1 Beech KING AIR 100/U-21
 UTE
 13 U-17A SKY WAGON**
 1 Beech B99
 23 T-41D MESCALERO**
 90 O-1E BIRD DOG

Helicopters

90 UH-1B IROQUOIS
 4 CH-47A CHINOOK
 15 OH-13H SIOUX**
 3 OH-58A KIOWA**
 11 TH-55A OSAGE**
 16 FH-1100/OH-5
 3 Bell Model 206
 2 Bell Model 214B

Naval Aviation

Maritime Utility

10 S-2A TRACKER
 10 O-1A BIRD DOG
 2 Canadair CL-215 (CA)
 2 HU-16B ALBATROSS
 13 U-17A SKYWAGON
 7 O-2A/B SKYMASTER

Miscellaneous

3 Fokker F-27
 FRIENDSHIP MPA (NE)
 2 LA-4-200 BUCCANEER
 8 Bell Model 212
 5 C-47 SKYTRAIN
 11 UH-1H/N IROQUOIS

Para-Military Aviation

General Purpose

3 SC-7 3M-200 SKYVAN (UK)
 8 PC-6 (SZ)
 2 DHC-2 BEAVER (CA)
 3 DO-28 SKYSERVANT (GE)
 2 U-3A/Cessna 310
 1 AIRTOURER
 5 AU-23A PEACEMAKER
 3 DHC-4 CARIBOU (CA)

Helicopters

10 Bell Model 204B
 11 Bell Model 205
 2 Bell Model 205A
 4 Bell Model 206B
 6 OH-23F/UH-12 RAVEN
 1 KH-4 SIOUX
 1 S-62A/HH 52A

NOTE: All Thai aircraft are of U.S. origin unless otherwise indicated.

** Many of these aircraft are former South Vietnamese/Cambodian planes.

MALAYSIA

Army: 80,000 Personnel

Armored Recon. Vehicles

60 FERRET MK4 (UK)
50 PANHARD AML 90 (FR)
51 SCORPION 90 ARV (UK)

Armored Personnel Carriers

459 CONDOR APC (GE)
80 V-100 COMMANDO (US)
134 V-150 COMMANDO (US)
140 PANHARD M3 APC (FR)
120 AT-105 SAXON (UK)
40 M-2A1 HALF-TRACK* (US)
162 SIMBAS AFV (BE)

Artillery

12 5.5" 140mm GUN
92 M-56 105mm pk HOW (IT)
60 M-101A1 105mm HOW (US)
--- 81mm TAMPELLA MORTAR (IT)
--- 60mm COMMANDO (FR)
--- 2" MORTAR (UK)
--- 3" MORTAR (UK)
--- 4.2" MORTAR (UK)

Antitank

40 M-20A1 3.5" RL (US)
--- M-2 84mm RL (SW)
--- M-20 89mm RL (YD)
5 120mm RKT (UK)
--- SS-11 ATGW (FR)
--- M-40A1 106mm RR (SP)
--- M-80 88mm RL

Antiaircraft

23 M-2 40mm L-70 Bofors AA GUN (US/SW)
12 M-1 40mm L-60 Bofors AA GUN (US/SW)
--- 57mm GUN (SW)
18 SCORPION SP AA GUN (UK)

* Many of these vehicles may no longer be in service.

MALAYSIA

Navy: 8,700 Personnel

Frigates

- 1 UK YARROW Class with 4 SEACAT SAM
- 2 Type FS 1500
- 1 UK MERMAID Class

Fast Attack Craft

- 4 SPICA-M HANDALAN Class with 2-4 EXOCET SSM
- 4 COMBATTANTE II PERDANA Class with 2-4 EXOCET SSM (FR)
- 6 JERONG Class

Patrol Boats

- 9 Brooke-Marine 29m
- 6 JERONG Class
- 22 KRIS/KEDAH/SABAH Class

Mine Warfare Ships

- 4 LERICI Class
- 2 UK TON Class

Assault Ships

- 5 US LCM (6) Class
- 9 US RCP Class
- 15 LCP Class
- 3 US LST 542 Class

Miscellaneous

- 1 Bremer Vulkan Support
- 1 Oceanographic Ship
- 1 Diving Tender
- 8 Utility Vessels

Marine Police

- 12 PZ Class
- 28 PX Class

Customs Craft

- 6 Vosper 103 ft. Design
-

MALAYSIA

Airforce: 11,000 Personnel

Fighter/Fighter Bombers*

12 F-5E TIGER II (US)
2 F-5F TIGER II (US)

Counterinsurgent Aircraft

16 Canadair CL-41G TEBUAN
12 AerMacchi MB-339 (IT)

Reconnaissance Aircraft

3 PC-130H HERCULES (US)
2 RF-5E TIGER II (US)

Transport Aircraft

6 C-130H HERCULES (US)
2 HS-125 (UK)
2 F-28 MK 1000 ()
12 Cessna 402B/U-3B (US)
15 DHC-4A CARIBOU (CA)
2 DH DOVE (UK)
3 DH HERON (UK)
1 SUPER KING AIR 200 (US)

Trainers

15 BAe BULLDOG 102 (UK)
44 Pilatus PC-7 (SZ)
3 UK SIOUX (UK)

Helicopters

40 S-61A SEA KING (US)
27 ALOUETTE III (FR)
20 SA-341K GAZELLE (FR)
7 Bell 47G SIOUX (US)
3 UH-1H IROQUOIS (US)
5 Bell Model 206B (US)
3 Bell Model AB-212 (US)

Para-Military Aviation

General Purpose

3 C-130H-MP HERCULES (US)
1 HS-125M (UK)
4 Cessna V206C STATIONAIR (US)

* Does not include 140 MIG-19 FARMERs permanently grounded.

Annual Report of the Board of Directors

Dear Shareholders:

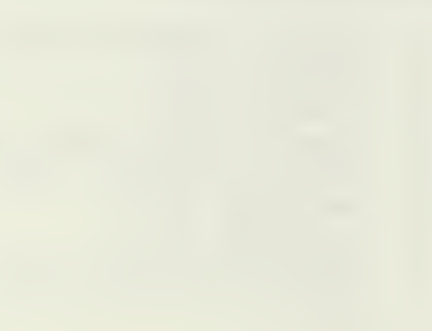
It is my pleasure to present to you the annual report of the Board of Directors.

The Board of Directors has the honor to present to you the annual report of the company for the year ended December 31, 1994.

The Board of Directors has the honor to present to you the annual report of the company for the year ended December 31, 1994.

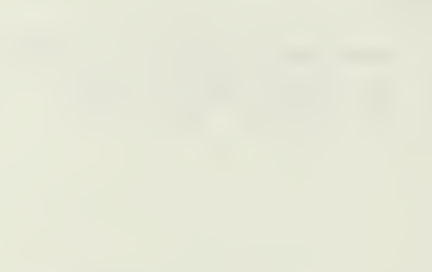
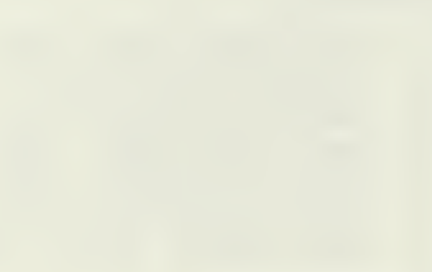
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SINGAPORE

Army: 45,000 Personnel

Main Battle Tanks

60 M60-A1 (US)

Light Tanks

350 AMX-13 Model 51* (FR)

Armored Personnel Carriers

720 M-113A1 (US)

250 V-150/200 COMMANDO** (US)

30 V-100 COMMANDO (US)

Artillery

52 M-68 155mm HOW (IS)

18 M-114A1 155mm HOW (US)

--- 60mm MORTAR (IS)

--- 81mm MORTAR (IS)

50 M-38 120mm MORTAR (IS)

Antitank

--- M-20 89mm RL (YD)

--- M-2 84mm RL (SW)

90 M-40A1 106mm RL (US)

Antiaircraft

20 L-70 40mm Bofors AA
GUN (SW)

* May be converting power packs to diesel.

** Some fitted with 20mm Derlikon cannon, and some with 120mm mortars.

SINGAPORE

Navy: 4,500 Personnel

Fast Attack Craft

6 TNC/FPB 45 Class
with 5 GABRIEL SSM

Patrol Boats and Craft

3 German FPB 57 Class
3 110 ft. Type A
3 110 ft. Type B
1 UK FORD Class
1 NE 250 Ton Class

Mine Warfare Ships

2 US REDWING Class

Assault Ships

6 US LST 542 Class
4 AYER CHAWAN Class
2 BRANI Class

Marine Police

12 US SWIFT Class
4 FX Class
20 PC 32 Class

Miscellaneous Ships

19 New Construction

SINGAPORE

Airforce: 6.000 Personnel

Fighter/Fighter Bombers

40 A-4S/S1 SKYHAWK (US)
6 TA-4S SKYHAWK (US)
24 F-5E TIGER II (US)
3 F-5F TIGER II (US)
38 HUNTER MK 74/T.75 (UK)

Counterinsurgent Aircraft

6 JET PROVOST T.52
11 SF.260W WARRIOR (IT)
19 STRIKEMASTER MK 82/81

Trainers

18 BAC-167 (UK)
-- STRIKEMASTER MK 84
14 SF.260MS Trainer (IT)
20 T-33A SHOOTING STAR (US)
6 AIRTOURER

Helicopters

36 UH-1B/H IROQUOIS (US)
3 Bell Model AB-212 (US)
6 AS-350B ECUREUIL (FR)
7 ALOUETTE III (FR)

Transport Aircraft

6 SC-7 3M-200 SKYVAN SAR Type (UK)
4 C-130B HERCULES (US)

Air Defense

4 SAM Sqns (28 BLOODHOUND 2; 10 RAPIER; 6 I HAWK;
Bofors RBS-70).

INDONESIA

Army: 210,000 Personnel

Light Tanks

350 AMX-13 90 (FR)
75 PT-76 (UR)
108 M-3A1 STUART* (US)

Armored Recon. Vehicles

75 SALADIN (UK)
60 FERRET (UK)
--- BRDM (UR)
--- AMX-10 PAC 90 (FR)

Armored Personnel Carriers

200 AMX-VC1 (FR)
130 BTR-40/152 (UR)
112 M-2A1 HALF-TRACK* (US)
--- BTR-50 (UR)
60 V-150 COMMANDO (US)
60 SARACEN (UK)

Artillery

50 76mm Mt HOW (SW)
--- M-1998 B-1 76mm HOW (YD)
--- 88mm GUN/HOW (UK)
40 105mm GUN/HOW (YD)
--- M-38 122mm HOW (UR)
15 M-101A1 105mm HOW (US)
--- 80mm MORTAR (YD)
--- M-1 81mm MORTAR (US)
--- M-37 82mm MORTAR (UR)
--- M-38 120mm MORTAR (YD)
--- 60mm MORTAR (YD)
--- 51mm MORTAR (DA)
--- 50mm MORTAR (YD)
--- 3" MORTAR (UK)
--- 2" MORTAR (UK)

Antitank

--- M-20A1 3.5" RL (US)
385 M-40A1 106mm RL (US)
--- 33mm RL (UR)
--- 83mm AT RL (BE)
--- 85mm RL (UR)
--- M-20 89mm RL (YD)
--- M-51 130mm MRL (CZ)
--- RPU-14 140mm MRL (UR)
--- M-18A1 57mm RR (US)
--- M-20 75mm RR (US)
--- B-10 82mm RCL GUN (UR)
--- B-11 107mm RCL GUN (UR)
--- M-67 90mm RR (US)

Antiaircraft

20 20mm AAA GUN (SW)
90 M-1 40mm L-60 Bofors AA GUN (US/SW)
200 S-60 57mm AA GUN (UR)

* Many of these vehicles may no longer be in operation.

INDONESIA

Navy: 42,000 Personnel

Frigates

- 3 FATAHILLA Class with
- 4 EXOCET SSM, 1 with
- 1 WASP Helicopter
- 1 KAPAL LATIH Class with
- 4 EXOCET SSM
- 1 PATTIMURA Class
- 4 US CLAUD JONES Class
- 2 UR RIGA Class

Fast Attack Craft

- 4 PSK/PSMM Mk-5 Class
- with 4 EXOCET SSM

Patrol Boats

- 6 CARPENTARIA Class
- 3 Australian Attack Class
- 5 YO PBR-500 Class
- 3 UR KRONSTADT Class
- 4 KAPAK Class (Sea Comm)
- 5 KUJANG Class (Sea Comm)
- 6 PAT-01 Class (Sea Comm)

Mine Warfare Ships

- 2 UR T-43 Class

Assault Ships

- 7 US LST 542 Class
- 6 TELUK SEMANGKA Class
- 1 Tank Landing Ship
- 5 Utility Landing Craft
- 28 Utility Landing Craft
- (Indonesian Army)

Miscellaneous Ships

- 4 Hydrographic Ships
- 1 UR DON Class Sub Tender
- 1 Command Ship
- 5 Utility Ships
- 1 Sail Training Ship
- 10 Transports
- 6 Logistics Ships
- (Indonesian Air Force)

Submarines

- 2 Type 209 (GE)
- 1 UR WHISKEY Class

Marine Police

- 9 DKN 908 Class
- 12 DKN 504/901 Class

Marine Equipment

- 30 PT-76 Light Tks
- 12 VPX-10 PAC 90 AC
- 6 AMX-10P with 40mm AA GUN
- 32 APCs

Customs Service

- 8 Lurssen PB 57 Design
- 28 Lurssen FPB 28 Class
- 17 BC 1/2/3001 Class

INDONESIA

Airforce: 29,000 Personnel

Fighter/Fighter Bombers*

27 A-4E SKYHAWK (US)
4 TA-4H SKYHAWK (US)
11 F-5E TIGER II (US)
4 F-5F TIGER II (US)
16 CA-27 SABRE (AS)
2 B-26 INVADER (US)

Counterinsurgent Aircraft

16 OV-10F BRONCO (US)
14 F-51D MUSTANG (US)

Reconnaissance Aircraft

1 C-130H-MP HERCULES (US)
1 Boeing 737-200 (US)

Transport Aircraft

7 C-130H-30 HERCULES (US)
7 L-100-30 HERCULES (US)
1 C-140 JET STAR (US)
12 C-47 SKY TRAIN (US)
3 SC-7 3M-200 SKYVAN (UK)
8 Fokker F-27 MK400M (NE)
25 Casa Aviocar C-212 (SP)
1 Boeing 707 (US)
6 N-24A NOMAD
SEARCHMASTER L (AS)

Trainers

15 T-34C1 MENTOR (US)
8 T-53 HAWK ()
20 AS-202 BRAVO ()
2 T-6 TEXAN (US)
10 T-33A SHOOTING STAR (US)

Helicopters

5 Bell Model 204B (US)
19 SA-330L PUMA (FR)
16 Bell Model 47G/OH-13
SIOUX (US)
12 Hughes Model 500/OH-6
CAYUSE (US)
6 Bell Model 212/UH-1N
IROQUOIS (US)
4 ALOUETTE III (FR)
4 H-34D
1 S-61A VIP

Miscellaneous

7 DHC OTTER (CA)
8 HU-16B ALBATROS
12 Cessna T207/401/402A

* Additional inventory includes 22 TU-16 BADGER; 10 IL-28 BEAGLE; 4 MIG-15 FAGOT; 8 MIG-17 FRESCO; 15 MIG-21 FISHBED, all of which are thought to be non-operational.

Army Aviation

Fixed Wing

1 DHC BEAVER (CA)
1 Beech B99 (US)
2 U-4B GRAND COMMANDER
(US)
2 C-47 SKYTRAIN (US)
6 Cessna 207 SKYWAGON
(US)
12 Piper L-4J SUPER CUB
(US)
20 Wilga 32
18 GELATIK
2 O-1 BIRD DOG (US)

Helicopters

7 ALOUETTE III (FR)
6 MBB BO-105 (GE)
16 Bell Model 205 (US)

Naval Aviation

Maritime Utility

12 N24A NOMAD
SEARCHMASTER B (AS)
1 C-130H-MP SAR (US)
6 C-47 SKYTRAINB (US)
5 HU-16B ALBATROSS (US)

Helicopters

3 ALOUETTE III (FR)
4 MBB BO-105 (GE)
3 ALOUETTE II (FR)
4 Bell 47G/OH-13 SIOUX
(US)
7 S-58/H-34 CHOCTAW (US)
12 UH-34D SEA HORSE (US)

Para-Military Aviation

2 MBB BO-105 (GE)

PHILIPPINES

Army: 70,000 Personnel

Light Tanks

90 M-41 WALKER BULLDOG*
22 M-24 CHAFFEE*

Armored Recon. Vehicles

28 SCORPION (UK)
54 M-3A1 SCOUT*

Armored Personnel Carriers

420 M-113A1*
20 V-150 CHAIMITE/
COMMANDO (PG)

Artillery

78 M-101A1 105mm HOW
125 105mm HOW (SP)
12 105mm pk HOW (IT)
12 M-114 155mm HOW
--- M-29E1 81mm MORTAR
--- M-1 81mm MORTAR
--- M-2 60mm MORTAR
40 M-30 4.2" MORTAR

Antitank

--- M-20 75mm RR
--- M-67 90mm RR
--- M-40A1 106mm RR
--- M-20A1 3.5" RL

Note: All Philippine equipment is of U.S. origin except where otherwise indicated.

* Many of these vehicles may be out of service.

PHILIPPINES

Navy: 28,000* Personnel

Frigates

4 US BARNEGAT/CASCO Class
1 US SAVAGE Class
2 US CANNON Class

Corvettes

2 US AUK Class
7 US PCE 827 Class
1 US ADMIRABLE Class

Fast Attack Craft

3 New Design with
EXOCET SSM

Patrol Boats

2 KATAPANGAN Class
5 US PGM-39/-71 Class
2 US PC-461 Class

Patrol Craft

80 Fiberglass Hulls
6 Australian Attack Class
29 US SWIFT Class
3 ABRA Class

Mine Warfare Ships

2 US MSC Type

Assault Ships

22 US LST 1/542 Class
4 US LSM 1 Class
84 US LCM (6/8) Class
7 US LCVP Type
3 US LCU 1466 Class
3 US LSSL 1 Class
4 US LSIL Type
3 US ARL Repair Ships

Miscellaneous Ships

1 Support Ship
1 US AM Type
1 Presidential Yacht
8 Transports
3 US ACHELOUS Class
10 Tankers
6 Floating Dry Docks
3 Survey Ships

Marine Equipment

30 LVTP-5
55 LVTP-7A1 APC
105 105mm HDW
--- 4.2" 107mm MORTAR

Coast Guard

2 BESSANG Pass Class
1 Search & Rescue Boat

* Includes 7,000 Marines and Naval Engineers.

PHILIPPINES

Airforce: 16,800 Personnel

Fighter/Fighter Bomber

35 F-8H CRUSADER (US)
19 F-5A FREEDOM FIGHTER (US)
3 F-5B FREEDOM FIGHTER (US)
11 F-5E TIGER II (US)
18 F-86F SABRE (US)

Counterinsurgent Aircraft

16 SF.260WP WARRIOR (IT)
24 T-28A TROJAN (US)
4 HU-16B ALBATROS (US)
6 HU-16E ALBATROS (US)
11 AC-47 DRAGON SHIP (US)
36 T-36A (Fuji) MENTOR

Transport Aircraft

6 C-130H HERCULES (US)
3 L-100-20 HERCULES (US)
30 C-47 SKYTRAIN (US)
9 Fokker F-27 MK100 (NE)
12 N22B NOMAD
MISSIONMASTER (AS)
46 BN-2/2T ISLANDER (UK)
15 C-123B/K PROVIDER (US)

Trainers

10 T-33A SHOOTING STAR
3 RT-33A SHOOTING STAR
12 T-41D MESCALERO (US)
32 SF.260MP Trainer (IT)

Helicopters

50 UH-1H IROQUOIS (US)
38 MBB BO-105 (GE)
2 UH-1N IROQUOIS (US)
1 SA-330L PUMA (FR)
12 UH-1D IROQUOIS (US)
8 FH-1100/DH-5 (US)
1 KH-4/GH-13 SIOUX (US)
12 Hughes 500M/DH-6
CAYUSE (US)
5 CH-19E/H-19 CHICKASAW
(US)
1 S-62/HH-52A Presidential

Miscellaneous

1 Boeing 707 VIP (US)
1 BAC-111 VIP (UK)
4 YS-11 VIP
- O-1E BIRD DOG (US)
1 Cessna U-17A/B SKYWAGON
(US)
8 DHC BEAVER (CA)
3 Cessna 210 CENTURION
(US)
1 AERO COMMANDER (US)
6 U-17A/B SKY WAGON

Naval Aviation

Maritime Utility

10 MARITIME DEFENDER/
ISLANDER (UK)
3 F-27 FRIENDSHIP (US)

Helicopters

3 MBB BO-105
2 S-58/CH-34A SEA BAT
(US)

BRUNEI

Army: 3,650 Personnel

Armored Recon. Vehicles

16 SCORPION (UK)

Armored Personnel Carriers

24 Sankey AT-104 (GE)

Artillery

-- Field Artillery

16 81mm MORTAR

Air Defense

12 RAPIER/BLINDFIRE SAM
(UK)

Navy: *

Fast Attack Craft

3 WASPADA Class with 2
EXOCET SSM

Patrol Craft

3 PERIWA Class
3 ROTORK Class
3 BENDAHARA Class

Miscellaneous Ships

2 LOADMASTER Class LCT
25 Armed River Assault Craft

Marine Police

4 Patrol Craft

Airforce: *

Fixed Wing Aircraft

2 SF.260 Trainer (IT)
1 HS-748 VIP (UK)

Helicopters

3 Bell Model 206B (US)
3 Bell Model 205A (US)
11 Bell Model 212 (US)
1 HS-76 (US)
7 MBB BO-105 (GE)

* Both the Navy and the Air Force are part of the Army.

SOURCES: The Military Balance 1983-1984, 1983. London: IISS:91-102; Tom Gervasi. Arsenal of Democracy II. 1981. New York: Grove Press:220-259; Asian Security 1979, 1979. Tokyo: Research Institute for Peace and Security, as quoted by G. Jacobs. "Vietnam's Threat Potential to ASEAN," Asian Defense Journal (Kuala Lumpur) (May) 1982:16-27; Jane's Armour and Artillery 1982-83, 1982. London: Jane's Publishing Co., Ltd.; Far Eastern Economic Review 1983 Yearbook, 1983. Hongkong: Far Eastern Economic Review; Harold Crouch, "Malaysia's Armed Forces," Far Eastern Economic Review, (October) 1983:46-52; Hans Indorf, "Thailand: A Case of Multiple Uncertainties," Pacific Defense Reporter, (September) 1983:23-35; George R. Copley, ed., Defense and Foreign Affairs Handbook, 1981; Douglas Pike, "Vietnam, a Modern Sparta," Pacific Defense Reporter, (April) 1983:33-39; Aircraft Capabilities and Threat, 1975. Ft. Bliss, Texas: U.S. Army Air Defense School; Mark Hewish, Air Forces of the World, 1979. New York: Simon and Schuster; Jean Labavie Couhat, ed., Combat Fleets of the World 1982/83, 1982. Annapolis: Naval Institute Press.

REGIONAL MAPS

Map No.

1. Southeast Asia.
2. Mainland Communist Insurgents.
3. Thai-Kampuchean Border Area.
4. Continental Shelf Claims.
5. Spratly Islands.



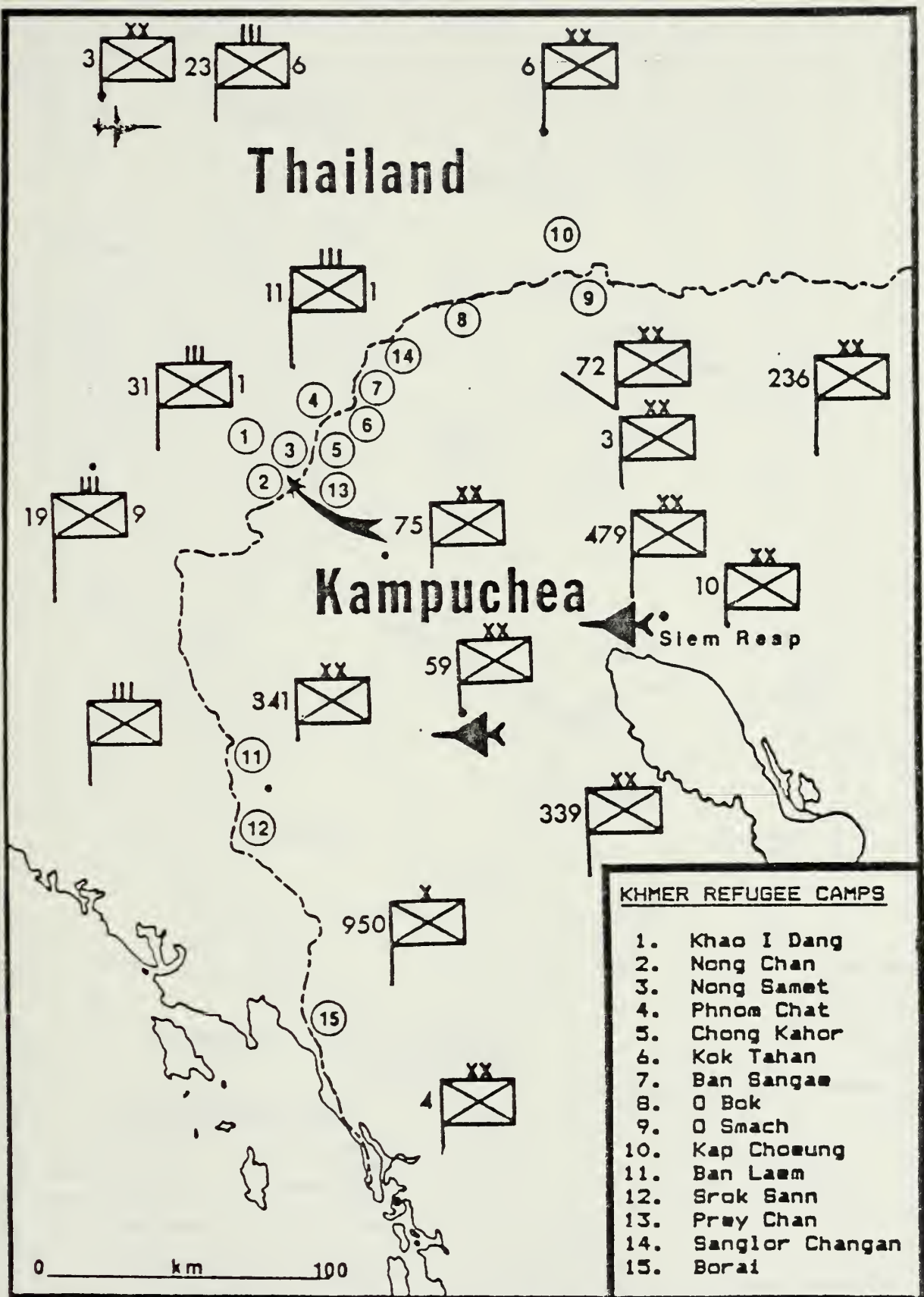
Map 1. Southeast Asia





Map 2. Mainland Communist Insurgents





Map 3. Thai-Kampuchean Border Area

History

The history of the world is a long and complex one, spanning thousands of years and encompassing a vast range of cultures, societies, and events. It is a story of human progress, struggle, and achievement, shaped by the actions of individuals and the forces of nature. From the earliest civilizations to the modern world, the history of the world has been a continuous process of change and development.

In the beginning, the world was a vast and uncharted wilderness, teeming with life and filled with mystery. The first humans emerged from the forests and savannas of Africa, and began to explore the world around them. They learned to hunt, gather, and eventually, to farm and domesticate animals. These early civilizations laid the foundation for the great empires and cultures that followed.

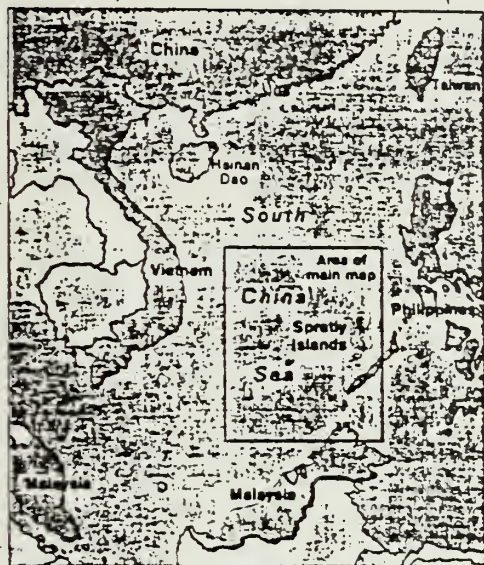
Over the centuries, the world has been shaped by a series of great events and movements. The rise and fall of empires, the discovery of new lands, the development of science and technology, and the spread of religion and culture have all played a role in shaping the world we know today. Each generation has added to the story, and each has left its own mark on the world.

Today, the world is a more interconnected and complex place than ever before. The advances of science and technology have brought us closer together, and have opened up new possibilities for the future. But the challenges of the world are also more complex than ever. We face environmental crises, social inequalities, and global conflicts that threaten the stability of the world.

As we look back on the history of the world, we can see the resilience of the human spirit and the power of human achievement. We can see the progress we have made, and the challenges we still face. And we can see the potential for a better future, if we only have the courage and the will to make it happen.



Map 4. Continental Shelf Claims



The Spratly Islands

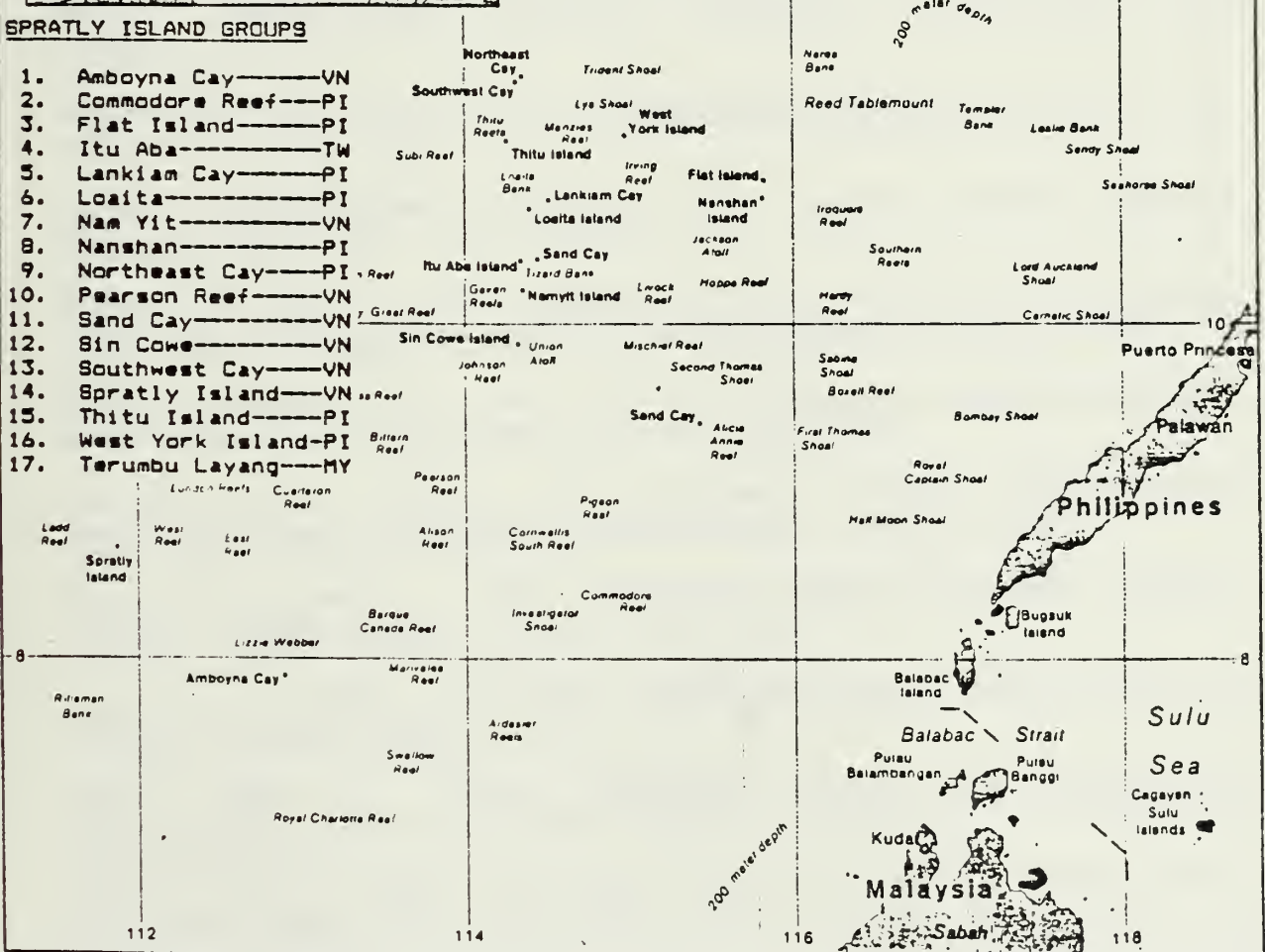
China, Malaysia, Philippines, and Vietnam all have claims to one or more of the Spratly Islands.

Mercator Projection
Scale 1:5,000,000 at 16°N.

0 50 100 Kilometers
0 50 100 Nautical Miles

SPRATLY ISLAND GROUPS

1. Amboyna Cay—VN
2. Commodore Reef—PI
3. Flat Island—PI
4. Itu Aba—TW
5. Lankiam Cay—PI
6. Loaita—PI
7. Nam Yit—VN
8. Nanshan—PI
9. Northeast Cay—PI
10. Pearson Reef—VN
11. Sand Cay—VN
12. Sin Cowe—VN
13. Southwest Cay—VN
14. Spratly Island—VN
15. Thitu Island—PI
16. West York Island—PI
17. Terumbu Layang—MY



PI = Philippines
TW = Taiwan
VN = Vietnam
MY = Malaysia

Map 5. Spratly Islands

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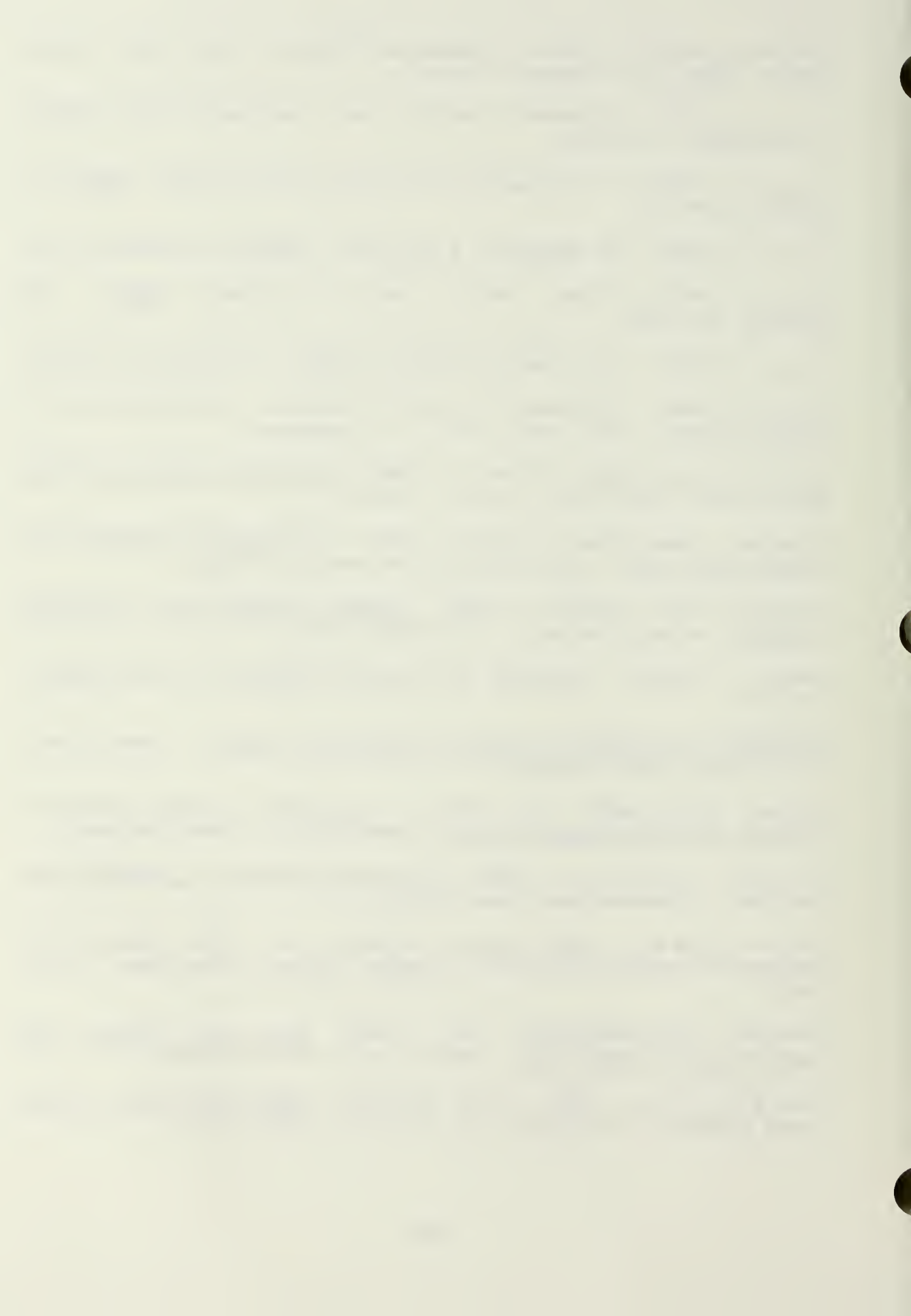
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Note: FEER = Far Eastern Economic Review.

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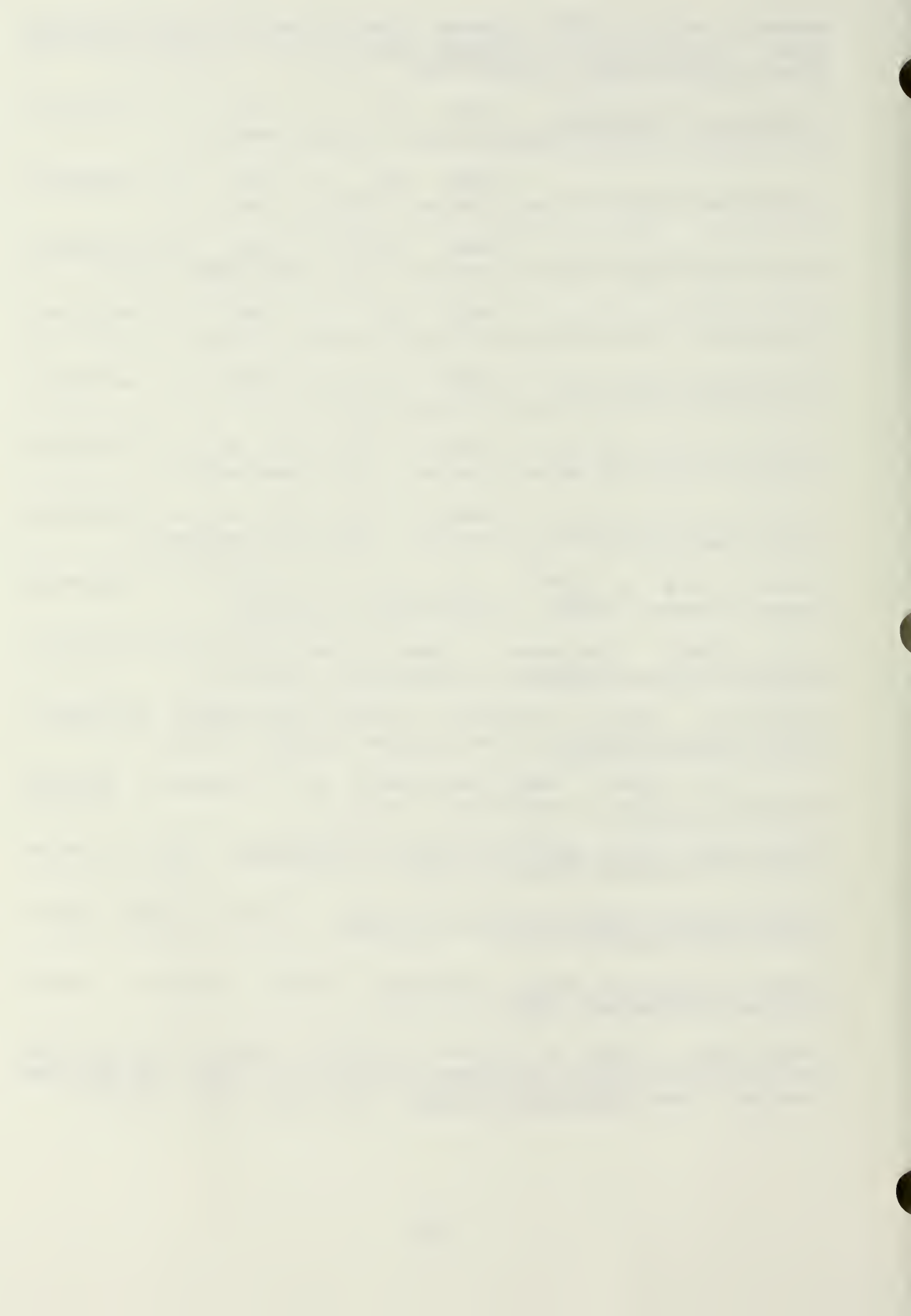
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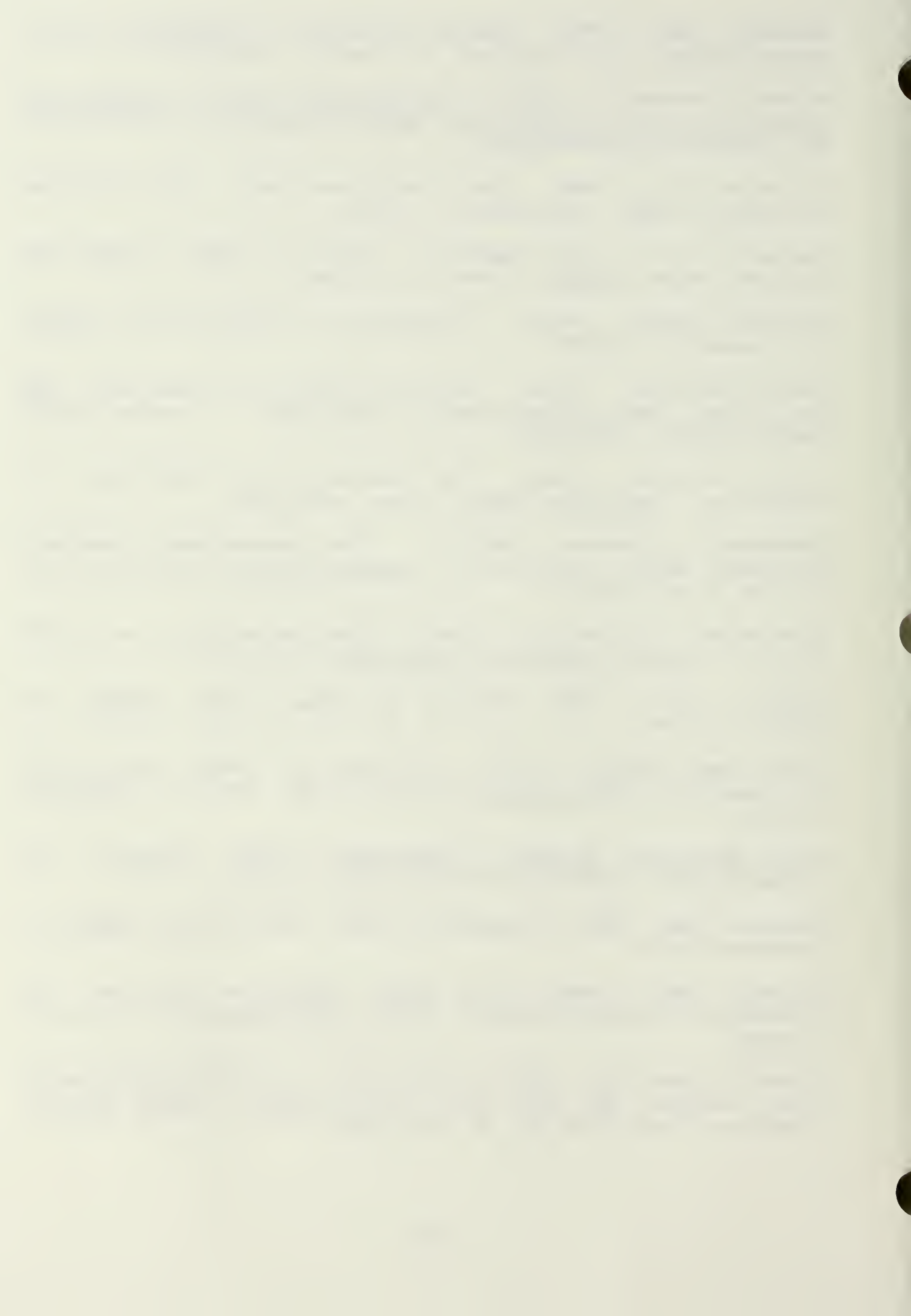
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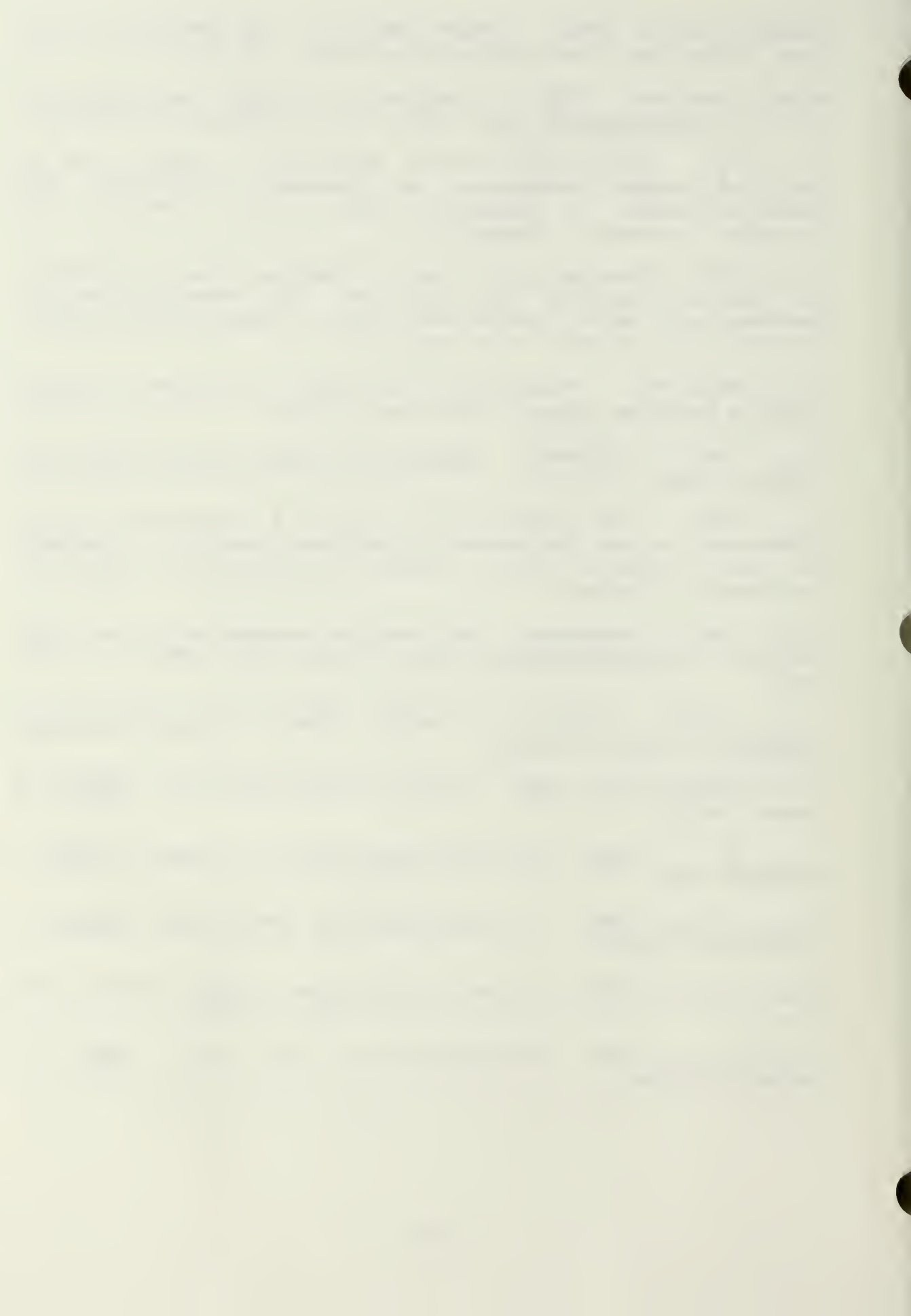
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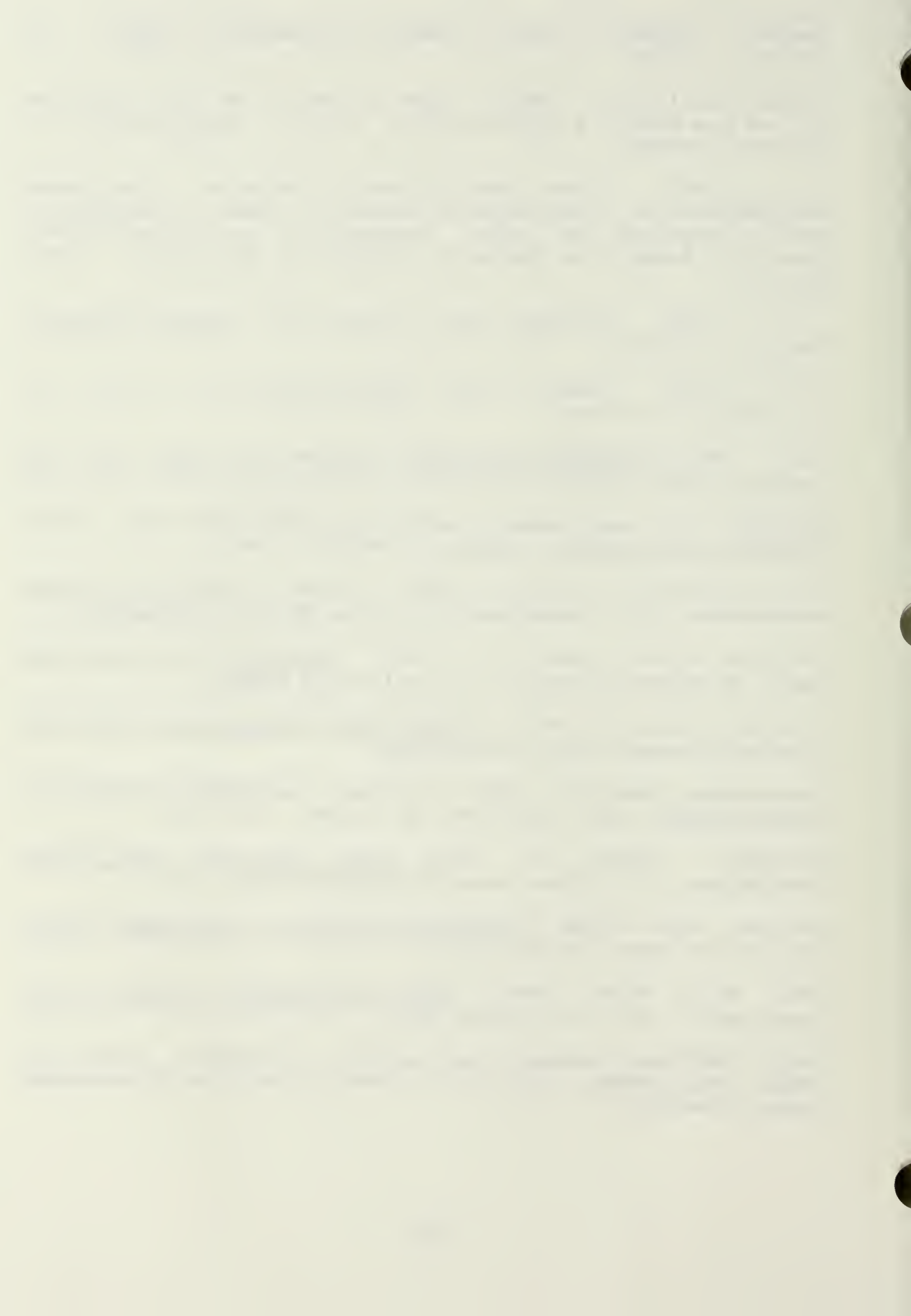
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